

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**AMENDMENT NO. 2**

TO

**FORM S-3**

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

**ALLSTATE LIFE GLOBAL FUNDING**  
(As depositor of the trusts described herein)  
(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  
and Allstate Life Global Funding Trusts**

**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)

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**ALLSTATE LIFE INSURANCE COMPANY**  
(As issuer of the funding agreements described herein)  
(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**

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and Secretary of Allstate Life Insurance Company**

**3100 Sanders Road**

**Northbrook, IL 60062**

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**Sidley Austin Brown & Wood LLP**

**10 South Dearborn Street**

**Chicago, Illinois 60603**

**(312) 853-7000**

**Approximate date of commencement of proposed sale to the public:**  
**As soon as practicable after this registration statement becomes effective.**

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

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.

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.

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.

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

**CALCULATION OF REGISTRATION FEE**

<b>Title of Securities to be Registered</b>	<b>Amount To Be Registered(1)</b>	<b>Proposed Maximum Aggregate Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price(2)</b>	<b>Amount of Registration Fee</b>
Secured Medium Term Notes	\$4,000,000,000	100%	\$4,000,000,000	\$323,600(3)
Funding Notes(4)	\$4,000,000,000	100%	\$4,000,000,000(4)	None(4)
Funding Agreements(4)	\$4,000,000,000	100%	\$4,000,000,000(4)	None(4)

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 \$4,000,000,000, 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 \$4,000,000,000, 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 \$4,000,000,000.

- (1) The amount of securities being registered represents the maximum aggregate principal amount of securities which, on January 27, 2004, are expected to be offered for sale.
- (2) Estimated solely for the purpose of determining the amount of the registration fee.
- (3) \$276,000 of the total registration fee of \$323,600 was paid in connection with the registration statement on Form S-3 (File No. 333-101424), originally filed on November 22, 2002 and withdrawn on June 11, 2003, and \$47,600 of the total registration fee of \$323,600 was paid on January 27, 2004 prior to the initial filing of this registration statement.
- (4) Registered solely pursuant to Rule 140 under the Securities Act. \$4,000,000,000 is the estimated maximum aggregate offering price of all the securities being registered.

## EXPLANATORY NOTE

This registration statement contains:

- two prospectus supplements relating to one or more series of notes (one for an offering of series of secured medium term notes which are intended to be offered primarily to institutional investors and the other for an offering of series of secured medium term notes which are referred to as Allstate Life<sup>SM</sup> CoreNotes® in the prospectus supplements and which are intended to be offered primarily to retail investors) which one or more newly created Delaware special purpose statutory trusts may offer from time to time 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 one or more applicable funding agreements issued by Allstate Life Insurance Company, and sold to, and deposited into, the issuing trust by Allstate Life Global Funding; and
- a base prospectus relating to one or more series of secured medium term notes (including series of Allstate Life<sup>SM</sup> CoreNotes®) which may be issued and sold by the trusts 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 one or more applicable funding agreements issued by Allstate Life Insurance Company, and sold to, and deposited into, the issuing trust by Allstate Life Global Funding.

Each offering of a series of notes made under this registration statement will be made pursuant to:

- one of the prospectus supplements included in this registration statement, with the specifications of the notes offered thereby set forth in a pricing supplement; or
- a newly filed prospectus supplement to the base prospectus, with the specification of the notes offered thereby set forth in such newly filed prospectus supplement or a pricing supplement.

"Allstate Life<sup>SM</sup>" is a service mark of Allstate Insurance Company.

"CoreNotes®" is a registered service mark of Merrill Lynch & Co., Inc.

The information in this prospectus supplement is not complete and may be changed. Neither the depositor nor the trusts may sell these securities until the registration statement filed with the SEC is effective. This prospectus supplement 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 Supplement dated \_\_\_\_\_, 2004**

**PROSPECTUS SUPPLEMENT**  
**(To prospectus dated \_\_\_\_\_)**

**\$4,000,000,000**  
**Allstate Life Global Funding**  
**Depositor**  
**Secured Medium Term Notes**  
**Due Between Nine Months and 30 Years From the Date of Issue**  
**Issued Through**  
**Allstate Life Global Funding Trusts**

Allstate Life Global Funding (the "depositor" or "Global Funding") is a statutory trust formed under the laws of the State of Delaware. Its sole purpose is to facilitate the programs for the issuance of one or more series of secured medium term notes, which are referred to in this prospectus supplement as "notes". Each series of notes will be issued by a separate newly created Delaware statutory trust (each, a "trust"). Allstate Life Global Funding will be the sole beneficial owner of each trust that is formed. The notes may have an aggregate principal amount of up to \$4,000,000,000 or the equivalent amount in one or more foreign or composite currencies.

The specific terms of each series of notes will be set forth in a separate pricing supplement.

The notes of each series:

- will be the unconditional, direct, non-recourse, secured and unsubordinated obligations of the issuing trust;
- will be secured by one or more funding agreements issued by Allstate Life Insurance Company ("Allstate Life"), and assigned absolutely to, and deposited into, the issuing trust by Allstate Life Global Funding;
- will have a stated maturity of nine months to 30 years from the date of issue;
- will have redemption and/or repayment provisions, if applicable, whether mandatory or at the option of the issuing trust or the holders of such notes;
- will provide for payments in U.S. dollars or one or more foreign currencies;
- will be in book-entry or definitive form;
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will bear interest at fixed or floating rates, or bear no interest at all; unless otherwise specified in the applicable pricing supplement, each trust will pay interest on the relevant series of notes on a monthly, quarterly, semiannual or annual basis;

- will be secured by the right, title and interest of the issuing trust in and to (1) the funding agreement(s) held by that trust, (2) all proceeds of such funding agreement(s) and (3) all books and records pertaining to such funding agreement(s); and
- may be sold to United States and foreign institutional and other investors.

**Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page S-11.**

Neither the Securities and Exchange Commission, any state securities commission nor any state insurance commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

**Merrill Lynch & Co.**

**A.G. Edwards & Sons, Inc.**

**Banc of America Securities LLC**

**Banc One Capital Markets, Inc.**

**Barclays Capital**

**Citigroup**

**Credit Suisse First Boston**

**Deutsche Bank Securities**

**Goldman, Sachs & Co.**

**JPMorgan**

**Lehman Brothers**

**Morgan Stanley**

**UBS Investment Bank**

**Wachovia Securities**

The date of this prospectus supplement is \_\_\_\_\_, 2004.

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The trusts may sell the notes to one or more of the agents referred to below (collectively, the "Agents") as principals for resale at varying or fixed offering prices or through the applicable Agent(s) as agents using their reasonable efforts on behalf of each issuing trust. The trusts may also sell notes directly to investors without the assistance of any Agent. Unless otherwise specified in the applicable

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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. Unless otherwise specified in the applicable pricing supplement, each trust will pay a commission to an Agent, ranging from .150% to .875% of the principal amount of each note, depending upon its stated maturity, sold through that Agent as its agent.

You should rely on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and each applicable pricing supplement. Neither the registrants 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 the registrants 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 supplement, the accompanying prospectus and the applicable pricing supplement is accurate only as of its respective date.

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## FORWARD-LOOKING STATEMENTS

### Allstate Life

This prospectus supplement, the accompanying prospectus and each applicable pricing supplement may include forward-looking statements of Allstate Life. These forward-looking statements are not statements of historical fact but rather reflect 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 Allstate Life or its management. When Allstate Life makes forward-looking statements, Allstate Life is basing them on its management's beliefs and assumptions, using information currently available to Allstate Life. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this prospectus supplement, the accompanying prospectus and in each applicable pricing supplement. Factors that can cause or contribute to these differences include those described under the heading "Risk Factors" in this prospectus supplement. Allstate Life undertakes 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 Allstate Life's underlying assumptions prove to be incorrect, actual results may vary materially from what Allstate Life projected. Any forward-looking statements of Allstate Life you read in this prospectus supplement, the accompanying prospectus or any pricing supplement reflect Allstate Life's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to Allstate Life's operations, results of operations, growth strategy and liquidity. All subsequent written and oral forward-looking statements attributable to Allstate Life or individuals acting on Allstate Life's behalf are expressly qualified in their entirety by this section. You should specifically consider the factors identified in this prospectus supplement, the accompanying prospectus and each applicable pricing supplement which could cause actual results to differ before making an investment decision.

### Global Funding and the Trusts

This prospectus supplement, the accompanying prospectus and each applicable pricing supplement may include forward-looking statements of Global Funding and the trusts. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this prospectus supplement, the accompanying prospectus and in each applicable pricing supplement. Global Funding does not, and the trusts will not, undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You should specifically consider the factors identified in this prospectus supplement, the accompanying prospectus and each applicable pricing supplement before making an investment decision. Global Funding and the issuing trusts are not currently entitled to the safe harbors contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Therefore, forward-looking statements of Global Funding and the issuing trusts in this prospectus supplement and the accompanying prospectus are not currently and will never be entitled to these safe harbors.

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## ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PRICING SUPPLEMENTS

This document is a prospectus supplement and supplements a prospectus which is part of a registration statement filed with the Securities and Exchange Commission (the "SEC") by Allstate Life Global Funding and Allstate Life Insurance Company (the "registrants"). This prospectus supplement provides you with a general description of the notes that each trust may offer in connection with the secured medium term notes program described in this prospectus supplement and the accompanying prospectus (this "program") and supplements the description of the notes contained in the accompanying prospectus. The trusts may sell these notes with a total initial public offering price or purchase price of up to \$4,000,000,000 or the equivalent amount in one or more foreign currencies, less any amount of notes previously issued by the trusts under this program or pursuant to a separate prospectus supplement that relates to the Allstate Life<sup>SM</sup> CoreNotes® program pursuant to which the notes may be offered by the trusts from time to time primarily to retail investors (the "Allstate Life<sup>SM</sup> CoreNotes® program").

The specific terms and conditions of notes being sold will be contained in a pricing supplement. A copy of that pricing supplement will be provided to you along with a copy of this prospectus supplement and the accompanying prospectus. That pricing supplement also may add, update, supplement or clarify information in this prospectus supplement and the accompanying prospectus. You should carefully review such additional, updated, supplemental or clarifying information contained in the pricing supplement. You should read this prospectus supplement and the accompanying prospectus and the pricing supplement together with the additional information that is incorporated by reference in this prospectus supplement and the accompanying prospectus. That additional information is described under the heading "Incorporation of Documents by Reference" in the accompanying prospectus.

In connection with the issuance of any series of notes, the Agents have reserved the right to appoint one of them to act as a stabilizing agent. Such appointment will be disclosed in the applicable pricing supplement. In connection with the issuance of any series of notes, the stabilizing agent or any person acting on its behalf may over-allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period. However, there is no obligation on the stabilizing agent or any other person acting on its behalf to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Any such stabilizing shall be conducted in compliance with all relevant laws, rules and regulations. For a description of these activities, see "Plan of Distribution".

In this prospectus supplement, references to the "depositor" and "Global Funding" are to Allstate Life Global Funding. References to the "trusts" are to Allstate Life Global Funding Trusts. References to an "issuing trust" are to a trust with respect to the series of notes issued and sold to the public by that trust. These references are not to Allstate Life Insurance Company. In this prospectus supplement, references to "Allstate Life" are to Allstate Life Insurance Company.

In this prospectus supplement, 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.

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## SUMMARY

This section summarizes certain of the legal and financial terms of the notes that are described in more detail in "Description of the Notes" beginning on page S- and other information described elsewhere in this prospectus supplement or in the accompanying prospectus. Final terms of any particular series of notes will be set at the time of sale and will be contained in the pricing supplement relating to that series of notes. That pricing supplement may add to, update, supplement or clarify the terms contained in this summary. In addition, you should read the more detailed information appearing elsewhere in the accompanying prospectus, this prospectus supplement and the applicable pricing supplement.

The Trusts	Each series of notes will be issued by a separate newly created Delaware statutory trust (each, a "trust") formed by Allstate Life Global Funding, as trust beneficial owner, AMACAR Pacific Corp., as administrator (the "administrator"), and Wilmington Trust Company, as Delaware trustee (the "Delaware trustee"), pursuant to the filing of a certificate of trust and the execution of a trust agreement. Each trust agreement pursuant to which various trusts may be formed from time to time to issue notes is referred to in this prospectus supplement as a "trust agreement". Allstate Life Global Funding will be the sole beneficial owner of each trust that is formed.
Depositor	Allstate Life Global Funding is the depositor of the funding agreements into the issuing trusts.
Purposes of Depositor and Trusts	<p>The sole purpose of Global Funding is to facilitate the programs for the issuance of notes. The sole purpose of each trust is to issue the related series of notes to the public, which notes will be secured by one or more funding agreements issued by Allstate Life, and assigned absolutely to, and deposited into, the issuing trust by Global Funding. Each trust will use the net proceeds received from issuing its series of notes to acquire one or more funding agreements. Each trust will hold the collateral described below pertaining to its series of notes to fund its obligations under that series of notes. Each trust will pledge and collateralize the funding agreements held in that trust to the indenture trustee for the benefit of the holders of that trust's series of notes. Holders of notes of a series may only look to the funding agreement(s) and any other collateral held in, or pledged and collateralized to the indenture trustee by, the issuing trust for payment on their notes and not to the assets held in any other trust.</p> <p>No trust will be affiliated with Allstate Life.</p>

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Allstate Life Can Issue Medium Term Notes and Funding Agreements Directly to Investors	Allstate Life is able to issue its own medium term notes directly to investors and does issue funding agreements directly to qualified investors. However, by securing each trust's notes with one or more of Allstate Life's funding agreements, such trust's notes are secured by an asset that would have a higher priority in insolvency than unsecured medium term notes of Allstate Life and may be entitled to receive a higher investment rating than unsecured medium term notes of Allstate Life. In addition, funding agreements are very difficult to transfer and have no active secondary market. By securing each trust's notes with one or more of Allstate Life's funding agreements, investors may be able to avail themselves of many of the benefits of Allstate Life's funding agreements while benefiting from the liquidity afforded by each trust's medium term notes.
Collateral; Status	<p>The notes of a series will be secured by the right, title and interest of the issuing trust in and to (1) the funding agreement(s) held by that trust, (2) all proceeds of such funding agreement(s) and (3) all books and records pertaining to such funding agreement(s). In this prospectus supplement, references to "other collateral" are to items (2) and (3) above.</p> <p>The notes of a series will be the unconditional, direct, non-recourse and unsubordinated obligations of the issuing trust and will rank equally among themselves. Each series of notes will be secured by and payable solely out of the assets of the issuing trust, and holders of such series of notes will have no right against the assets of Global Funding or the assets of any other trust.</p> <p>Each series of notes may be accelerated in the payment of principal and outstanding interest if an event of default under the notes occurs. Upon the occurrence of an event of default, the indenture trustee (described below) on behalf of the holders of notes may only proceed against the collateral held in the issuing trust.</p> <p>The notes of each series are not, and will not be, insurance contracts, insurance policies or funding agreements.</p> <p>The notes are not obligations of Allstate Life, Global Funding or any other person or entity other than the trust that issued the relevant notes. The notes are not guaranteed by any person or entity. The notes will not benefit from any insurance guaranty fund coverage or any similar protection.</p>
Funding Agreements	Each trust will use the net proceeds received from the offering of its series of notes to purchase from Global Funding one or more funding agreements issued by Allstate Life. The funding agreement(s) will have a

principal amount equal to the principal amount of the related series of notes. The funding agreement(s) will otherwise have payment and other terms substantially similar to the related series of notes.

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The funding agreements are unsecured obligations of Allstate Life, an Illinois stock life insurance company. 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 by "policyholders, beneficiaries, and insureds, under insurance policies, annuity contracts, and funding agreements" receive payment prior to any distribution to general creditors not falling within any other priority class under the Illinois Insurance Code.

The registrants believe that in a properly prepared and presented case in a delinquency proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS Section 5/187 *et seq.* (the "Illinois Liquidation Act"), the timely and properly filed claims of an owner under the funding agreement (with the possible exception of claims for Additional Amounts, as discussed below) would be entitled to distribution *pari passu* with claims made by other policyholders, beneficiaries, and insureds under other insurance policies, insurance contracts, annuities and funding agreements 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 Section 5/205(1)(d) of the Illinois Liquidation Act, and an owner's claims under the funding agreement should not be recharacterized as other than the claims of a policyholder, beneficiary, or insured under an insurance policy, insurance contract, annuity or funding agreement.

The obligations of Allstate Life under any funding agreement will not be guaranteed by any person or entity.

If a funding agreement so provides, Allstate Life may be required to pay Additional Amounts (as such term is defined therein) to the indenture trustee as collateral assignee of the funding agreement. For a discussion regarding payment of Additional Amounts, see "Description of the Notes—Withholding Tax and Payment of Additional Amounts". Although such payments could be viewed as a claim under the funding agreements within the meaning of Section 5/205(1)(d), they may also be argued to be a separate payment obligation. Therefore, while in a proceeding before a court of competent jurisdiction the court might find that a claim for an Additional Amount constitutes a claim under a funding agreement, it also might find that such a claim is not a claim entitled to the priority afforded by Section 5/205(1)(d). If a claim for an Additional Amount does not constitute a claim entitled to the priority afforded by Section 5/205(1)(d), then in a properly prepared and presented case any claim for an Additional Amount would be entitled to the same priority as claims of general creditors of Allstate Life under Section 5/205(1)(g).

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With respect to the issuance of any series of the notes, the aggregate amount of Allstate Life's liabilities that would rank *pari passu* with each funding agreement securing such series of notes is disclosed in the financial statements of Allstate Life contained in Allstate Life's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q filed with the SEC, in each case as of the date of such financial statements. This amount appears in the Consolidated Statements of Financial Position as a liability under the line item entitled "Contractholder funds".

#### Indentures and Indenture Trustee

Each series of notes will be issued by the issuing trust pursuant to a separate indenture (each, an "indenture") to be entered into between the issuing trust and J.P. Morgan Trust Company, National Association, in its capacity as indenture trustee (including any successor, the "indenture trustee"). Each indenture will be subject to and qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The indenture trustee is not affiliated with the trusts, the depositor or Allstate Life.

#### Funding Notes

Each trust will use the net proceeds received from the issuance of the related series of notes to purchase a funding note (each, a "funding note") from Global Funding. Global Funding will use the net proceeds received from the sale of the related funding note to purchase one or more funding agreements issued by Allstate Life. Global Funding will immediately assign absolutely to, and deposit into, the issuing trust each such funding agreement, and the relevant funding note will be surrendered.

Each funding note will have a principal amount equal to the principal amount of the related series of notes. Each funding note will otherwise have payment and other terms substantially similar to the related series of notes, except that each funding note will contain a provision that makes it immediately cancelable upon the assignment and deposit by Global Funding of the related funding agreement(s) to the related issuing trust.

#### Ratings

Unless otherwise indicated in the applicable pricing supplement, each series of notes, the related funding note and the funding agreement(s) securing such series of notes will have an issue credit rating of \_\_\_\_\_ from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. We expect the program to be rated \_\_\_\_\_ by Moody's Investors Service, Inc. ("Moody's"). If Moody's changes the program rating, the new program rating will be specified in the applicable pricing supplement. Notes of a series will be issued under the program only in the event that, at the time of issuance of such series of notes, at least one nationally recognized rating agency would assign an investment grade rating to such series of notes, the related funding note and the funding agreement(s) securing such series of notes.

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Agents	Merrill Lynch, Pierce, Fenner & Smith Incorporated, A.G. Edwards & Sons, Inc., Banc of America Securities LLC, Banc One Capital Markets, Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse First Boston LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities Inc., Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Securities L.L.C.
Secured Medium Term Notes Program	This prospectus supplement relates to notes that each trust may issue and sell to institutional investors under this secured medium term notes program.
Allstate Life <sup>SM</sup> CoreNotes <sup>®</sup> Program	<p>Included in the registration statement, of which this prospectus supplement is a part, is another prospectus supplement relating to notes that may be issued and sold to retail investors by one or more newly established Delaware statutory trusts under the related Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program. The terms of the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> are identical in all material respects to the terms of the notes to be sold under this program, as described in this prospectus supplement, except that the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup>:</p> <ul style="list-style-type: none"> <li>• may not be issued as amortizing notes;</li> <li>• will be denominated in U.S. dollars only;</li> <li>• will not provide for the payment of additional amounts relating to any required withholding under any circumstances; and</li> <li>• may contain a survivor's option, permitting optional repayment of notes of a series of notes, subject to certain limitations, prior to maturity, if requested, following the death of the beneficial owner of notes of that series.</li> </ul>
Amount	A maximum of \$4,000,000,000 of notes, or the equivalent in one or more foreign currencies, may be issued in connection with this prospectus supplement, less any amount of notes previously issued under this program, the related Allstate Life <sup>SM</sup> CoreNotes <sup>®</sup> program or otherwise under the accompanying prospectus.
Payment of Principal and Interest	<p>Principal and interest payments, if any, on any series of notes will be made solely from the proceeds of one or more funding agreements, and any other collateral, securing such series of notes. Each series of notes may be interest bearing or non-interest bearing.</p> <p>Each series of notes that bears interest may bear interest at either a fixed rate or a floating rate, or a combination of fixed and floating rates, as specified in the applicable pricing supplement.</p> <p>A trust may issue amortizing notes that pay an amount in respect of both interest and principal amortized over the life of the note, if so specified in the applicable pricing supplement.</p>

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Interest Rate	<p>The principal amount of each note (other than amortizing notes) will be payable on its stated maturity date, repayment date or redemption date, as specified in the applicable pricing supplement, at the corporate trust office of the paying agent or any other place designated by the issuing trust.</p> <p>Interest, if any, will be payable on the dates set forth in the applicable pricing supplement.</p> <p>Each fixed rate note will bear interest from its date of issue at the rate stated in the applicable pricing supplement until the principal is paid.</p> <p>Each floating rate note will bear interest from the date of issue until the principal is paid at a rate determined by reference to an interest rate or interest rate formula, which may be adjusted by a spread and/or spread multiplier (each as more fully described under "Description of the Notes"). The pricing supplement will designate one or more of the following base rates, along with the index maturity for that base rate:</p> <ul style="list-style-type: none"> <li>• the CD Rate,</li> <li>• the CMT Rate,</li> <li>• the Commercial Paper Rate,</li> <li>• the Eleventh District Cost of Funds Rate,</li> <li>• the Federal Funds Rate,</li> <li>• LIBOR,</li> <li>• EURIBOR,</li> <li>• the Prime Rate,</li> <li>• the Treasury Rate, or</li> <li>• such other base rate or interest rate formula as may be set forth in the applicable pricing supplement.</li> </ul>
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Redemption and Repayment

A trust will redeem its series of notes if Allstate Life redeems each funding agreement securing such series of notes. Except as otherwise specified in the accompanying prospectus, this prospectus supplement or the applicable pricing supplement, the funding agreement(s) securing a series of notes will not be redeemable by Allstate Life, and a series of notes will not be repayable at the option of the holders prior to its stated maturity date. Unless otherwise specified in the applicable pricing supplement, the notes will not be subject to any sinking fund.

Maturities

Each series of notes will mature nine months to 30 years from its date of original issuance. Each series of notes will have the same maturity date as the related funding agreement(s).

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Currencies and Denominations

Unless otherwise specified in the applicable pricing supplement, notes will be denominated in U.S. dollars and will be issued and sold in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

Listing

Unless otherwise specified in the applicable pricing supplement, a series of notes will not be listed on any securities exchange.

Forms of Notes

Each series of notes will be issued in fully registered form and, unless otherwise specified in the applicable pricing supplement, will be initially represented by one or more book-entry notes registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), as depository, or in the name of a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, societe anonyme ("Clearstream Luxembourg"), in each case as depository, or by one or more definitive notes. Each book-entry note will be held by the indenture trustee as custodian for the applicable depository.

Clearing Systems

Unless otherwise specified in the applicable pricing supplement, the notes will be cleared through DTC.

Administration of Global Funding and the Trusts

Wilmington Trust Company, a Delaware banking corporation, will initially be the sole trustee of Global Funding and each trust. The Delaware trustee will not be obligated in any way to make payments under or in respect of any notes, any funding notes or any funding agreements. The Delaware trustee is not affiliated with Allstate Life or the indenture trustee.

AMACAR Pacific Corp. will initially be the administrator of Global Funding and each trust. The administrator will not be obligated in any way to make any payments under or in respect of the notes, any funding notes or any funding agreements. The administrator is not affiliated with Allstate Life or the indenture trustee.

Allstate Life and Global Funding entered into a support and expenses agreement dated as of (the "depositor support agreement"). Pursuant to the depositor support agreement, Allstate Life agreed, among other things, to pay certain costs and expenses relating to the offering, sale and issuance of each funding note and certain costs, expenses and taxes incurred by Global Funding. Pursuant to the depositor trust agreement, Allstate Life also agreed to indemnify the indenture trustee, the Delaware trustee, the administrator and each other service provider, as well as Global Funding, with respect to certain matters.

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In connection with the issuance of a series of notes, Allstate Life and the issuing trust will enter into a support and expenses agreement (each, a "support agreement"). Under each support agreement, Allstate Life will agree to pay certain costs and expenses relating to the offering, sale and issuance of the applicable series of notes and certain costs, expenses and taxes incurred by the issuing trust. Pursuant to each support agreement, Allstate Life will also agree to indemnify the indenture trustee, the Delaware trustee, the administrator and each other service provider, as well as the issuing trust, with respect to certain matters.

Governing Law

The notes, each indenture and each funding note will be governed by, and construed in accordance with, the laws of the State of New York. The depositor trust agreement is, and each trust agreement will be, governed by, and construed in accordance with, the laws of the State of Delaware. The funding agreements will be governed by the laws of the State of Illinois.

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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. You should also consult the discussion of risk factors set forth in Allstate Life's Annual Report on Form 10-K for the year ended December 31, 2002, which is incorporated into this prospectus supplement and the accompanying prospectus by reference.*

**Risk Factors Relating to the Depositor and the Trusts**

*Each trust will have limited resources and therefore its ability to make timely payments with respect to its series of notes will depend upon Allstate Life making payments under the relevant funding agreement*



The ability of a trust to make timely payments with respect to the related series of notes is principally dependent upon Allstate Life making the related payments under each relevant funding agreement. Each trust is a special purpose statutory trust formed for the purpose of the issuance of the related series of notes. The obligations under a series of notes will be secured by and payable solely from the collateral held in the issuing trust. No series of notes will have any right to receive payments from the collateral related to any other series of notes.

*The notes of a series are the obligations only of the issuing trust and are not obligations of, or guaranteed by, Allstate Life or any of its affiliates*

The notes are not obligations of Allstate Life, Global Funding or any other person or entity other than the issuing trust. The notes are not guaranteed by any person or entity. Except pursuant to the terms of the funding agreement(s) included in the collateral for each series of notes, none of these entities nor any agent, trustee or beneficial owner of Global Funding or the trusts, in respect of any trust, is under any obligation to provide funds or capital to Global Funding or the trusts or with respect to any series of notes issued by the trusts. The net worth of Global Funding on the date hereof is approximately \$1,000 and is not expected to increase materially. The net worth of each trust is expected to be minimal.

*As of the date hereof, Global Funding has, and as of the date of issue of any series of notes, the issuing trust will have, no prior operating history*

Global Funding is and the trusts will be special purpose statutory trusts organized under the laws of the State of Delaware. Global Funding exists for the sole purpose of facilitating the programs for the issuance of notes. Each trust will exist for the exclusive purposes of: issuing and selling one series of notes to investors; using the net proceeds from the sale of series of notes to acquire the related collateral, including one or more funding agreements; and engaging in other activities necessary or incidental thereto. As of the date hereof, Global Funding has, and as of the date of issue of any series of notes, the issuing trust will have, no prior operating history.

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

*The notes of a series are non-recourse obligations of the issuing trust*

The obligations under the notes of a series are non-recourse obligations payable solely from the applicable collateral constituting the assets of the issuing trust. 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 the indenture trustee, on behalf of such holders, 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

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other series of notes, Global Funding, any other trust or any of Allstate Life, its officers, directors, affiliates, employees or agents or any of the trustees, beneficial owners or agents, or any of their respective officers, directors, affiliates, employees or agents in the case of any judgment in which there is deficiency remaining after foreclosure of any property included in such collateral. If an event of default shall have occurred under a series of notes, the indenture trustee will be entitled to have its fees and expenses paid solely from the collateral of such series of notes before holders of the notes of such series receive payment of the amounts then due and owing with respect to their notes; *provided*, that such priority of the indenture trustee over the holders of the notes of a series will be limited to an aggregate amount of no more than \$250,000 for all series of notes. All claims of the holders of a series of notes in excess of amounts received from the 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(s). In that event, it is possible that the obligations under any series of notes may be accelerated while the obligations of Allstate Life under the applicable funding agreement(s) may not be similarly accelerated. If this occurs, the indenture trustee may have no or limited ability to proceed against the applicable funding agreement(s) and the related collateral and holders of the notes may not be paid in full, or in a timely manner upon such acceleration. See "Description of the Indentures—Events of Default" in the accompanying prospectus.

*Allstate Life will be the sole obligor under the funding agreements*

Since Allstate Life will be the sole obligor under the funding agreements, the ability of a trust to meet its obligations, and your ability to receive payments from such trust, 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 issuing 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 the issuing trust, its successors and permitted assignees. In connection with the offering and sale of a series of notes, the issuing trust will pledge, collaterally assign and grant a security interest in the collateral for such series of notes to the indenture trustee on behalf of the holders of the applicable series of notes and the other persons identified in the relevant indenture. 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 and the other persons identified in the relevant indenture. Accordingly, if Allstate Life fails to perform its obligations under the applicable funding agreement(s), your ability to receive payments from the issuing trust would be materially and adversely affected.

Nonetheless, since Allstate Life is a registrant, purchasers of notes may be able to proceed directly against Allstate Life to enforce their rights under the Federal securities laws and their rights under the Federal securities laws will be no different than if they purchased the underlying funding agreements directly from Allstate Life.

*The notes could be deemed to be participations in the funding agreements or could otherwise be deemed to be contracts of insurance and holders of the notes could be found to be acting as insurance agents or brokers*

The laws and regulations of each state of the United States and the District of Columbia (the "covered jurisdictions") contain broad definitions of the activities that may constitute the conduct of the business of insurance in such jurisdictions. Because the primary asset of each trust will be one or more funding agreements issued by Allstate Life, which will be sold to, and deposited into, the issuing trust by Global Funding, it is possible that a trust's issuance of notes, Global Funding's issuance of the related funding note or the performance of the issuing trust's obligations under the notes, including the payment or prepayment of amounts due under the notes, or the purchase, resale or assignment of the notes by any investor or any person who acquires the notes directly or indirectly from such investor

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- could be characterized by one or more jurisdictions as the conduct of the business of insurance by Global Funding, the issuing trust, any such investor or any such other person or
  - could otherwise subject Global Funding, the issuing trust, any such investor or any such other person to regulation under the insurance laws of one or more covered jurisdictions.

This could, among other effects, require such persons to be subject to regulatory licensure or other qualifications and levels of compliance that cannot practically be achieved. Failure to comply with such requirements could subject any such person to regulatory penalties. In the event Global Funding or any trust is subject to any such penalties or any other liabilities resulting from such regulation, the ability of holders to receive payment under the notes could be materially and adversely affected. In addition, any such failure to comply or the threat of any such regulation could reduce liquidity with respect to the notes, prevent an investor from transferring notes and

reduce the marketability and market value of the notes. Therefore, any such regulation or threat of regulation by any one or more covered jurisdictions could result in an investor either being unable to liquidate its investment in the notes or, upon any such liquidation, receiving a value significantly less than the initial investment in the notes.

The Illinois Department of Insurance has confirmed that it does not consider the sale of publicly offered funding agreement backed medium term notes to violate the Illinois Insurance Code. In addition, the Illinois Department of Insurance has approved the form of funding agreement to be used in connection with the offering of notes.

Based primarily upon communications with the staff of the insurance regulatory bodies in most states and advice of LeBoeuf, Lamb, Greene & MacRae, L.L.P., Allstate Life and Global Funding believe that:

- the notes should not be subject to regulation as participations in the funding agreements themselves or otherwise constitute insurance contracts under the insurance laws of the covered jurisdictions; and
- Global Funding, the trusts and persons selling or purchasing the notes should not be subject to regulation as doing an insurance business under the insurance laws of the covered jurisdictions by virtue of their respective activities in connection with the offer, sale and/or purchase of the notes.

There are, however, wide variations in the insurance laws of the covered jurisdictions, subtle nuances in their application, and a general absence of any consistent pattern of interpretation or enforcement. Insurance regulatory authorities have broad discretionary powers in administering the insurance laws, including the authority to modify or withdraw a regulatory interpretation, impose new rules, and take a position contrary to Allstate Life's. In addition, state courts are not bound by any regulatory interpretations and could take a position contrary to Allstate Life's. Consequently, there can be no assurance that the purchase, resale or assignment of the notes or the funding notes will not subject the parties to such transaction to regulation or enforcement proceedings under the insurance laws of one or more covered jurisdictions.

*Notes of a series may be redeemed early if the trust becomes obligated to pay Additional Amounts*

If a trust is obligated to withhold or deduct any taxes or pay any additional amount (as defined in "Description of the Notes—Withholding Tax and Payment of Additional Amounts") with respect to any payment on the notes of a series to non-U.S. Holders, or if there is a material probability that the issuing trust 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(s), may terminate

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the relevant funding agreement(s). If Allstate Life terminates the relevant funding agreement(s), the issuing trust will redeem the particular series of notes by giving not less than 30 nor more than 75 days' notice. Upon such redemption, the trust will pay holders of such series of notes the outstanding amounts then due and owing with respect to their notes. If a trust redeems 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.

*Payments under funding agreements may be insufficient to pay principal and interest, if any, under the notes*

Payments of the principal of and any interest on a series of notes will be made solely from the payments the issuing trust receives under the applicable funding agreement(s). Unless otherwise specified in this prospectus supplement or the applicable pricing supplement, Allstate Life will not pay any Additional Amounts (as defined in the applicable funding agreement) in respect of a funding agreement 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 in respect of a funding agreement, by or on behalf of any governmental authority and each holder of a note of the related series of notes will be deemed for all purposes to have received cash in an amount equal to the portion of such withholding or deduction that is attributable to such holder's interest in the notes, as equitably determined by the issuing trust. Under this circumstance, the issuing trust will not actually pay, or cause to be paid, to such holder all of the amounts which would have been receivable by such holder in the absence of such taxes, duties, levies, assessments or other governmental charges.

*Redemption may adversely affect your return on the notes*

If your notes are redeemable at the option of the issuing trust, it 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, the issuing trust may be required to redeem your notes also at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an interest rate equal to the interest rate on 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. No assurance can be given that a trading market for your notes will ever develop or be maintained if developed. In addition to the creditworthiness of Allstate Life and the issuing trust, many factors affect the trading market for, and trading value of, your notes. These factors include:

- the complexity and volatility of the 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 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

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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 are referred to in this prospectus supplement 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. The trusts will 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 equivalent yield in U.S. dollars 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 date for circumstances beyond the control of the issuing trust. In these cases the issuing trust will be allowed to satisfy the obligations in respect of your foreign currency notes in U.S. dollars.

*Ratings of the medium term note program described in this prospectus supplement, the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program and each series of notes may not reflect all risks of an investment in the notes*

Each series of notes will be rated by at least one nationally recognized statistical rating organization. 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 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 the medium term note program described in this prospectus supplement, the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program and each 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.

*An increase in market interest rates could result in a decrease in the value of any notes bearing interest at a fixed rate*

If market interest rates increase above the interest rate of notes bearing interest at a fixed rate, such notes bearing interest at a fixed rate generally decline in value because debt instruments of the same face value priced at market interest rates will yield higher income. Consequently, if you purchase fixed rate notes and market interest rates increase above the fixed interest rate on the notes you have purchased, the market value of your notes may decline. Allstate Life can give no assurance regarding the future level of market interest rates.

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*If you purchase discount notes, the amount payable to you upon early redemption, repayment or acceleration of these notes may be less than the principal amount (i.e., par) of the notes plus accrued but unpaid interest and premium, if any*

If you purchase discount notes, the amount payable to you upon early redemption, repayment or acceleration of these notes may be less than the principal amount thereof plus accrued and unpaid interest. The amount payable will be determined by the formula set forth in this prospectus supplement or pricing supplement.

**Risk Factors Relating to the Collateral**

*The funding agreements are unsecured obligations of Allstate Life. If the funding agreements were not determined to be insurance contracts, they would be accorded the same priority in an insolvency of Allstate Life as its other general unsecured obligations*

The primary assets of each trust will be one or more funding agreements, and payments on the notes of a series will principally depend on payments under each related funding agreement(s). In addition, each trust will grant a security interest in, pledge and assign as collateral each funding agreement it acquires with the proceeds from the offering of a series of notes together with the related collateral to the indenture trustee, on behalf of the holders of the notes of such series and other persons specified in the relevant indenture, to secure the obligations under that series of notes.

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 by "policyholders, beneficiaries, and insureds, under insurance policies, annuity contracts, and funding agreements" 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 regulatory counsel of Allstate Life, has opined that, subject to the limitations, qualifications and assumptions set forth in its opinion letter, in a properly prepared and presented case, (1) in a delinquency proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS Section 5/187 *et seq.* (the "Illinois Liquidation Act"), the timely and properly filed claims of an owner under the funding agreement (with the possible exception of claims for Additional Amounts, as discussed below) would be entitled to distribution *pari passu* with claims made by other policyholders, beneficiaries, and insureds under other insurance policies, insurance contracts, annuities and funding agreements 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 Section 5/205(1)(d) of the Illinois Liquidation Act, and (2) an owner's claims under the funding agreement should not be recharacterized as other than the claims of a policyholder, beneficiary, or insured under an insurance policy, insurance contract, annuity or funding agreement.

In the absence of controlling judicial precedents, the opinion of Lord, Bissell & Brook is based on a reasoned analysis of Illinois statutes, as well as application of other states' judicial decisions involving similar or analogous circumstances. Investors should note that in the event of the insolvency of an insurance company, however, the judicial application of statutes governing the distribution of the insurer's general assets has typically proceeded on a case-by-case basis.

*Additional Amounts may be considered a separate payment obligation and may not be subject to the same priority as other amounts claimed under the funding agreements*

If a funding agreement so provides, Allstate Life may be required to pay Additional Amounts (as such term is defined therein) to the indenture trustee as collateral assignee of the funding agreement. Although such payments could be viewed as a claim under the funding agreements within the meaning

of Section 5/205(1)(d), they may also be argued to be a separate payment obligation. Therefore, while in a proceeding before a court of competent jurisdiction, the court might find that a claim for an Additional Amount constitutes a claim under a funding agreement, it also might find that such a claim is not a claim entitled to the priority afforded by Section 5/205(1)(d). Lord, Bissell & Brook has opined that if a claim for an Additional Amount does not constitute a claim entitled to the priority afforded by Section 5/205(1)(d), then in a properly prepared and presented case any claim for an Additional Amount would be entitled to the same priority as claims of general creditors of Allstate Life under Section 5/205(1)(g). Accordingly, in the event of the insolvency of Allstate Life, your claim for any payments of Additional Amounts may be subordinated to claims for other amounts under the applicable funding agreement.

*Changes in Federal tax legislation could adversely affect Allstate Life's business*

Under the Internal Revenue Code of 1986, as amended (the "Code"), United States Federal income tax payable by policyholders on investment earnings is deferred during the accumulation period of certain life insurance and annuity products. Thus, taxes, if any, are payable on income attributable to a distribution under the contract for the year in which the distribution is made. This favorable tax treatment may give certain of Allstate Life's products a competitive advantage over other noninsurance products. On May 28, 2003, President Bush signed the Jobs and Growth Tax Relief Reconciliation Act of 2003, which reduces the federal income tax rates applicable to certain dividends and capital gains realized by individuals. This legislation may lessen the competitive advantage of certain of Allstate Life's products vis-à-vis other investments that generate dividend and/or capital gain income. As a result, demand for certain of Allstate Life's products that offer income tax deferral may be negatively impacted. Additionally, Congress has from time to time considered other legislation that would reduce or eliminate the benefits to policyowners of the deferral of taxation on the accretion of value within certain insurance products or otherwise affect the taxation of insurance products and insurance companies. To the extent that the Code is revised to reduce the tax deferred status of insurance products, or to reduce the taxation of competing products, all life insurance companies, including Allstate Life, could be adversely affected.

### **ALLSTATE LIFE GLOBAL FUNDING TRUSTS**

Each series of notes will be issued by a separate newly created trust formed by Global Funding, the administrator and the Delaware trustee pursuant to the filing of a certificate of trust and the execution of the applicable trust agreement. Global Funding will be the sole beneficial owner of each trust that is formed.

After formation, each trust will not engage in any activity other than:

- issuing and selling a single series of notes;
- immediately acquiring a funding note and immediately surrendering such funding note for cancellation pursuant to its terms in exchange for one or more funding agreement(s);
- acquiring, holding and maintaining the funding agreement(s);
- pledging, assigning as collateral and granting a security interest in the applicable funding agreement(s) to the indenture trustee;
- making payments on the applicable series of notes; and
- engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental to or connected with those activities.

The principal executive offices of the trusts will be located at Allstate Life Global Funding Trusts, c/o: AMACAR Pacific Corp., 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211. The telephone number will be (704) 365-0569. For more information about the trusts, see "Description of Allstate Life Global Funding and the Trusts" in the accompanying prospectus.

### **ALLSTATE LIFE GLOBAL FUNDING**

Global Funding is a special purpose statutory trust formed under the laws of the State of Delaware, pursuant to the filing of a certificate of trust and the execution of the depositor trust agreement between the administrator and the Delaware trustee. The sole purpose of Global Funding is to facilitate the programs for the issuance of notes.

Global Funding will not engage in any activity other than:

- beneficially owning the trusts;
- issuing one or more funding notes;
- acquiring one or more funding agreements from Allstate Life;
- pledging, assigning as collateral and granting a security interest in the applicable funding agreement(s) to the funding note indenture trustee;
- assigning absolutely the funding agreement(s) to, and depositing such funding agreement(s) into, the trusts; and
- engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental to or connected with those activities.

The principal executive offices of Global Funding are located at Allstate Life Global Funding, c/o: AMACAR Pacific Corp., 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211. The telephone number is (704) 365-0569. For more information about Global Funding, see "Description of Allstate Life Global Funding and the Trusts" in the accompanying prospectus.

## ALLSTATE LIFE INSURANCE COMPANY

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 ("AIC"), a stock property-liability insurance company incorporated under the laws of the State of Illinois. All of the outstanding stock of AIC 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 2002 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 12,900 exclusive agents and financial specialists in the U.S. and Canada. For more information about Allstate Life, see "Description of Allstate Life Insurance Company" in the accompanying prospectus.

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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### DESCRIPTION OF THE NOTES

This section provides a summary description of the material provisions of the notes. Each series of notes will be issued pursuant to a separate indenture (each, an "indenture") to be entered into between the issuing trust and J.P. Morgan Trust Company, National Association, as indenture trustee (including any successor, the "indenture trustee"). The provisions of the notes are not restated in their entirety and you should read the actual provisions set forth in the standard indenture terms filed as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus form a part because those provisions, and not this description, will define your rights as an owner of an interest in the notes of a series. The terms and conditions of the notes described in this section will apply to each series of notes, except that the specific terms of a series of notes will be added in the applicable pricing supplement and each book-entry or definitive note (each, a "note certificate") representing the notes of such series. It is important for you to consider the information contained in this prospectus supplement, the accompanying prospectus, the applicable indenture, the applicable pricing supplement and the note certificates in making your investment decision.

This section describes some technical concepts and occasionally contains defined terms. You should refer to the standard indenture terms and the form of note certificates filed as exhibits to the registration statement to which this prospectus supplement and the accompanying prospectus relate for the full description of those concepts and complete definitions of those terms.

#### General

##### *Indentures*

Each trust will issue its series of notes subject to and entitled to the benefits of a separate indenture. Each indenture will be subject to, qualified under and governed by, the Trust Indenture Act. The aggregate principal amount of notes that may be authenticated and delivered under each indenture will be unlimited. For a description of the indentures, see "Description of the Indentures" beginning on page of the accompanying prospectus.

##### *Collateral*

Pursuant to each indenture, the issuing trust will assign each funding agreement held by it to the indenture trustee on behalf of the holders of the notes issued by such trust. Each series of notes will be secured by a first priority perfected security interest in the "collateral" for such series of notes in favor of the indenture trustee, on behalf of the holders of the notes of such series and the other persons identified in the relevant indentures which will consist of the right, title and interest of the issuing trust in and to:

- the funding agreement(s) held by the issuing trust;
- all proceeds of the relevant funding agreement(s); and
- all books and records pertaining to the relevant funding agreement(s).

##### *Ranking*

The notes of a series will be the unconditional, direct, non-recourse and unsubordinated obligations of the issuing trust and will rank equally among themselves. Each series of notes will be secured by and payable solely out of the assets of the issuing trust, and holders of such series of notes will have no right against the assets of Global Funding or the assets of any other trust.

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##### *Pricing Supplement*

The pricing supplement relating to the offering of a series of notes will describe the following terms:

- the principal amount and specified currency for the notes;
- whether the notes are:
  - fixed rate notes,
  - floating rate notes,
  - amortizing notes, meaning that a portion or all of the principal amount is payable prior to the stated maturity date in accordance with a schedule or by application of a formula, and/or

- discount notes that do not bear any interest currently or bear interest at a rate that is below market rates at the time of issuance;
- the price at which the notes will be issued, which will be expressed as a percentage of the aggregate principal amount or face amount;
- the original issue date on which the notes will be issued;
- the stated maturity date;
- if the notes are fixed rate notes, the rate per annum at which the notes will bear any interest and the interest payment date frequency;
- if the notes are floating rate notes, relevant terms such as:
  - the interest rate basis or interest rate bases,
  - the initial interest rate,
  - the interest reset period or the interest reset dates,
  - the interest payment dates,
  - the index maturity,
  - any maximum interest rate,
  - the minimum interest rate,
  - the spread and/or spread multiplier, and
  - any other terms relating to the particular method of calculating the interest rate for the notes and whether and how the spread and/or spread multiplier may be changed prior to the stated maturity date;
- if the notes are amortizing notes, the terms for repayment prior to the stated maturity date;
- whether the notes may be redeemed by the issuing trust, or repaid at the option of the holders, prior to the stated maturity date and the terms of their redemption or repayment, provided that any such redemption or repayment will be accompanied by the simultaneous redemption or repayment of the relevant funding agreement(s);
- any special United States federal income tax considerations relating to the purchase, ownership and disposition of the notes; and

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- any other terms of the notes provided in the accompanying prospectus to be set forth in a pricing supplement or that are otherwise consistent with the provisions of the indenture under which the notes will be issued.

The pricing supplement also may add, update, supplement or clarify information in this prospectus supplement and the accompanying prospectus.

#### *Pricing Options*

Notes that bear interest will either bear interest at fixed or floating rates, as specified in the applicable pricing supplement. The trusts may also issue discount notes and amortizing notes, as specified in the applicable pricing supplement.

#### *Maturities*

Each series of notes will mature on a day nine months to 30 years 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 the option of the issuing trust, notice of the registered holder's option to elect repayment or otherwise (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, is referred to as the "maturity date" with respect to the principal of such series of notes repayable on that date). Each series of notes will mature on or prior to 30 years from its date of original issuance. Each series of notes will have the same maturity as the related funding agreement(s).

#### *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.

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) 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".

The issuing trust 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 a 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*

The issuing trust will issue each note of a series as a book-entry note represented by one or more fully registered global securities or as a fully registered definitive note. Unless otherwise specified in the applicable pricing supplement, the minimum denominations of each note will be \$1,000 and integral multiples of \$1,000 in excess thereof.

#### *Listing*

Unless otherwise specified in the applicable pricing supplement, a series of notes will not be listed on any securities exchange.

#### *Payments*

The issuing trust 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 "—Form of Notes" and "—Clearing Systems". In the case of definitive notes, payments of principal of, and premium, if any, and interest and other amounts due and owing, if any, will be made 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 by the issuing trust for this purpose in the Borough of Manhattan, The City of New York, currently the paying agency office of the indenture trustee located at 4 New York Plaza, 1st Floor, New York, New York 10004. The issuing trust will make payments of interest and other amounts due and owing, if any, on the maturity date of a definitive note to the person to whom payment of the principal thereof and premium, if any, thereon shall be made. The issuing trust will make payments of interest and other amounts due and owing, if any, on a definitive 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 applicable note register. Notwithstanding the foregoing, the issuing trust 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 definitive 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).

#### *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, Euro, 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.

#### *Registration and Transfer of Notes*

Book-entry notes may be transferred or exchanged only through the clearing systems (described below). Registration of transfer or exchange of definitive notes of a series will be made at the office or agency maintained by the issuing trust 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 the issuing trust 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).

#### **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 payments on the notes unless the withholding or deduction is required by law.

Unless otherwise specified in the applicable pricing supplement, a trust 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 a trust so specifies in the applicable pricing supplement, such trust will pay, or cause to be paid, additional amounts to non-U.S. Holders (as defined in "United States Federal Income Tax Considerations") 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 of the relevant series 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 of such series, 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 of such series 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 of such series,

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- 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 Code) related (within the meaning of Code Section 864(d)(4)) to Allstate Life,
- being an actual or constructive owner of 10% 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 of such series;
- any tax, duty, levy, assessment or governmental charge imposed by reason of payments on the notes of such series being treated as contingent interest described in Section 871(h)(4) of the Code provided such treatment was described in the applicable pricing supplement;
- any tax, duty, levy, assessment or governmental charge that would not have been imposed but for an election by the holder of the notes of such series, the effect of which is to make one or more payments in respect of the notes of such series subject to United States federal income tax or withholding tax provisions; or
- any combination of the items described in the bullets above.

On June 3, 2003, the European Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by member states from January 1, 2005, provided that certain non-member state countries adopt similar measures from the same date. Under the directive, each member state will be required to provide to the tax authorities of another 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 member state; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to commence on the date from which the directive is to be applied by member states and to terminate at

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the end of the first fiscal year following agreement by certain non-member state countries to the exchange of information relating 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 directive no additional amounts shall be payable or paid by the trusts.

#### **Security; Non-Recourse Obligations**

The notes of a series will solely be the obligations of the issuing trust, and will not be guaranteed by any person or entity. The obligations under each series of notes will be secured by all of the rights and title of the issuing trust in one or more funding agreements issued by Allstate Life and other rights and assets included in the applicable collateral held in the issuing trust.

Since Allstate Life will be the sole obligor under the funding agreements, the ability of a trust to meet its obligations, and your ability to receive payments from such trust, 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 issuing 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 the issuing trust, its successors and permitted assignees. In connection with the offering and sale of a



series of notes, the issuing trust will pledge, collaterally assign and grant a security interest in the collateral for such series of notes to the indenture trustee on behalf of the holders of the applicable series of notes and the other persons identified in the relevant indenture. 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 and the other persons identified in the relevant indenture.

Nonetheless, since Allstate Life is a registrant, purchasers of notes may be able to proceed directly against Allstate Life to enforce their rights under the Federal securities laws and their rights under the Federal securities laws will be no different than if they purchased the underlying funding agreements directly from Allstate Life.

### **Redemption, Repayment and Repurchase of Notes**

Unless otherwise specified in the applicable pricing supplement and provided for in the applicable funding agreement(s), and except as provided with respect to an optional tax event redemption, the notes of a series will not be redeemable, except at the applicable maturity date, when all notes of such series will be redeemed.

#### *Optional Redemption by the Issuer; No Sinking Fund*

If an initial redemption date is specified in the applicable pricing supplement and provided for in the applicable funding agreement(s), the issuing trust may redeem the particular series of notes prior to its stated maturity date at its 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. "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 amount equal to the applicable annual redemption percentage reduction, if any, until the redemption price is equal to 100% of the unpaid

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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 applicable pricing supplement.

The applicable pricing supplement may provide that the notes of a series may be redeemed by the issuing trust and the terms of such redemption. If so specified, the issuing trust will give a notice of redemption to each holder of the notes to be redeemed not less than 30 days nor more than 60 days prior to the date fixed for redemption.

If the notes of a series may be redeemed by the issuing trust when more than 20% of the principal of such notes is outstanding, the notes will be designated as "callable" notes in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, such series of notes will otherwise be subject to the redemption provisions described above.

#### *Repayment at Option of 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. If one or more series of notes provides for such optional redemption, the persons designated in the applicable pricing supplement may require the issuing trust 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 and any other amounts then due and owing. Exercise of the repayment option will be irrevocable. For a discussion of the repayment of discount notes, see "—Discount Notes".

Only DTC may exercise a repayment option in respect of notes of a series issued in book-entry form. Accordingly, beneficial owners of notes that desire to exercise their repayment option, if any, with respect to all or any portion of such notes, must instruct the participant through which they own their interest to direct DTC to exercise the repayment option on their behalf by delivering the duly completed election form to the indenture trustee. In order to ensure that the election form is received by the indenture trustee on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before such participant's deadline for accepting instructions for that day. Participants may have different deadlines for accepting instructions from their customers. Accordingly, a beneficial owner should consult the participant through which it owns its interest in the notes for the participant's deadline for receiving payment instructions. In addition, at the time such instructions are given, each such beneficial owner will cause such participant to transfer such beneficial owner's interest in the notes issued in book-entry form, on DTC's records, to the indenture trustee.

Unless otherwise specified in the applicable pricing supplement, the notes of a series will not provide any holder with the option to have the issuing trust repay the note on a date or dates specified prior to its maturity date.

#### *Repurchase of Notes*

Each trust may purchase some or all notes of a series issued by such trust in the open market or otherwise at any time, and from time to time, with the prior written consent of Allstate Life as to both the making of such purchase and the purchase price to be paid for such notes. If Allstate Life, in its sole discretion, consents to such purchase of notes by the issuing trust, then such trust, the indenture

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trustee and Allstate Life will be obligated to take such actions as may be necessary or desirable to effect the prepayment of such portion, or the entirety, of the current Principal Amount (as defined in the applicable funding agreement) under each applicable funding agreement as may be necessary to provide for the payment of the purchase price for such notes. Upon such payment, the Principal Amount under each funding agreement shall be reduced (1) with respect to any purchase of notes that bear interest at fixed or floating rates, by an amount equal to the aggregate principal amount of the notes as purchased (or the portion thereof applicable to such funding agreement) and (2) with respect to any purchase of notes other than notes that bear interest at fixed or floating rates, by an amount to be agreed between the issuing trust and Allstate Life to reflect such prepayment under the funding agreement.

#### *Optional Tax Event Redemption*

If under the applicable pricing supplement the issuing trust is required at any time to pay additional amounts or if such trust is obligated to withhold or deduct any United States taxes with respect to any payment under the notes of the relevant series or if there is a material probability that the issuing trust 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 the issuing trust's 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, the issuing trust will redeem the particular series of notes for the outstanding principal of and any accrued but unpaid interest and any other amounts then due and owing on its series of notes, or such other amount which is specified in the pricing supplement for such series of notes by giving not less than 30 and no more than 75 days prior written notice to the holders of such series of notes, provided that no such notice of termination may be given earlier than 90 days prior to the earliest day when the issuing trust would become obligated to pay such additional amounts were a payment in respect of the notes of such series then due.

## **Interest**

Each interest-bearing series of notes will bear interest from its date of issue at the rate per annum, in the case of notes that bear interest at fixed rates, or pursuant to the interest rate formula, in the case of notes that bear interest at floating rates, in each case as specified in the applicable pricing supplement, until the principal thereof is paid. The issuing trust will make interest payments in respect of the relevant series of 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 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 regular interest record date (as defined below) and the related interest payment date will be made on the interest payment date immediately following the next succeeding regular interest record date to the registered holder on the next succeeding regular interest record date. The "regular interest record date" shall be the fifteenth calendar day, whether or not a business day, immediately preceding the related interest payment date.

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## **Fixed Rate Notes**

Interest on each series of notes that bears interest at fixed rates will be payable on the date(s) specified in the applicable pricing supplement (each, an "interest payment date" with respect to a series of notes that bears interest at fixed rates) and on the maturity date. Interest on each series of notes that bears interest at fixed rates 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 notes that bears interest at fixed rates falls on a day that is not a business day, the issuing trust 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 notes that bears interest at floating rates 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,
- EURIBOR,
- 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.

The applicable pricing supplement will specify certain terms of the particular series of notes that bears interest at floating rates, including:

- whether the note that bears interest at floating rates 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,
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initial interest rate, if any,

- interest reset dates,
- interest payment dates,
- index maturity,

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- 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 notes that bears interest at floating rates. 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates 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.

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 notes that bears interest at floating rates is designated as a series of Floating Rate/Fixed Rate notes, such series of notes that bears interest at floating rates 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

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- 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 notes that bears interest at floating rates is designated as a series of Inverse Floating Rate notes, such series of notes that bears interest at floating rates 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 notes that bears interest at floating rates 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 applicable pricing supplement, the interest reset dates will be, in the case of a series of notes that bears interest at floating rates which reset:

- daily—each business day;
- weekly—the Wednesday of each week, with the exception of weekly reset series of notes that bears interest at floating rates as to which the Treasury Rate is an applicable interest rate basis, which will reset the Tuesday of each week;
- monthly—the third Wednesday of each month, with the exception of monthly reset series of notes that bears interest at floating rates 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates 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.

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### *Interest Determination Dates*

The interest rate applicable to a series of notes that bears interest at floating rates 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 Eleventh District Index (as defined below);
- with respect to LIBOR—the second London banking day (as defined below) 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 notes that bears interest at floating rates 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 note that bears interest at floating rates on which each interest reset basis is determinable.

### *Calculation Dates*

The indenture trustee will be the "calculation agent," unless otherwise specified 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 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 notes that bears interest at floating rates, 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 notes that bears interest at floating rates. 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 notes that bears interest at floating rates 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

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- 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 notes that bears interest at floating rates, the interest rate on a series of notes that bears interest at floating rates 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*

Unless otherwise specified in the applicable pricing supplement or in this prospectus supplement, interest on each series of notes that bears interest at floating rates will be payable on the date(s) specified in the accompanying prospectus under the caption "Description of the Notes—Payment of Interest" (each, an "interest payment date" with respect to such series of notes that bears interest at floating rates). Unless the applicable pricing supplement indicates otherwise, the interest payment dates will be, in the case of a series of notes that bears interest at floating rates 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates falls on a day that is not a business day, the issuing trust will make the required payment of principal, premium, if any, and 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.

All percentages resulting from any calculation on notes that bear interest at floating rates 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 notes that bear interest at floating rates 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 notes that bears interest at floating rates, accrued interest is calculated by multiplying the principal amount of such series of notes that bears interest at floating rates 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 notes that bears interest at floating rates 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

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interest rate basis, or by the actual number of days in the year, in the case of a series of notes that bears interest at floating rates as to which the CMT Rate or the Treasury Rate is an applicable interest rate basis. The interest factor for a series of notes that bears interest at floating rates 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 non-bank 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.

"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

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(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 one 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 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

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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 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 one 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

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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

(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 "Eleventh District 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

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(3) if the Federal Home Loan Bank of San Francisco fails to announce the Eleventh District 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

(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

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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

(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.

"London banking day" means a day on which commercial banks are open for business (including dealings in the LIBOR currency) in London.

#### *EURIBOR*

"EURIBOR" means, with respect to any interest determination date relating to a series of EURIBOR notes or a series of notes that bears interest at floating rates for which the interest rate is determined with reference to EURIBOR (a "EURIBOR interest determination date"), the rate for deposits in Euros as sponsored, calculated and published jointly by the European Banking Federation and ACI—The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date, as the rate appears on Moneyline Telerate, Inc., or any successor service, on page 248 (or any other page as may replace that specified page on the service) ("Moneyline Telerate Page 248") as of 11:00 A.M., Brussels time, on the applicable EURIBOR interest determination date. If such rate does not appear on Moneyline Telerate Page 248, or is not so published by 11:00 A.M., Brussels time, on the applicable EURIBOR interest determination date, such rate will be calculated by the calculation agent and will be the arithmetic mean of at least two quotations obtained by the calculation agent after requesting the principal Euro-zone (as defined below) offices of four major banks in the Euro-zone interbank market to provide the calculation agent with its offered quotation for deposits in Euros for the period of the index maturity specified in the applicable pricing supplement, commencing on the applicable interest

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reset date, to prime banks in the Euro-zone interbank market at approximately 11:00 A.M., Brussels time, on the applicable EURIBOR interest determination date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euro in the market at that time. If fewer than two such quotations are so provided, the rate on the applicable EURIBOR interest determination date will be calculated by the calculation agent and will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on such EURIBOR interest determination date by four major banks in the Euro-zone for loans in Euro to



leading European banks, having the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euros in the market at that time. If the banks so selected by the calculation agent are not quoting as mentioned above, EURIBOR will be EURIBOR in effect on the applicable EURIBOR interest determination date.

"Euro-zone" means the region comprised of 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.

#### *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 on 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.

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## Other/Additional Provisions; Addendum

Any provisions with respect to the notes of a series, including the specification and determination of one or more interest rate bases, the calculation of the interest rate applicable to a series of notes that bears interest at floating rates, the interest payment dates, the stated maturity date, any redemption or repayment provisions or any other term relating to the applicable series of notes, may be modified and/or supplemented as specified under "Other/Additional Provisions" on the face thereof or in an addendum relating thereto, if so specified on the face thereof and, in each case, described in the applicable pricing supplement.

## Discount Notes

The trusts may from time to time issue 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".

## Amortizing Notes

The trusts may from time to time issue 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

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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.

## Form of Notes

### *Book-entry notes*

When a trust issues notes in book-entry form, it will issue one or more global securities representing the entire issue of notes. Unless otherwise specified in the applicable pricing supplement, these certificates will name a nominee of The Depository Trust Company, New York, New York ("DTC") as the owner of the notes. DTC maintains a computerized system that will reflect your ownership of the applicable notes through an account you will maintain with your broker/dealer, bank, trust company or other representative. If specified in the applicable pricing supplement, notes may also be issued in book-entry form and registered in the name of a nominee for Euroclear and Clearstream Luxembourg. For additional information regarding such notes, you should review "Special Provisions Relating to Foreign Currency Notes" below.

Unless otherwise specified in the applicable pricing supplement, DTC's nominee will be considered the owner of your notes in the records of the issuing trust and will be the entity entitled to cast a vote regarding your notes. However, DTC and the broker/dealers, banks, trust companies and other representatives that are part of DTC's computerized system are required to contact you for voting instructions.

### *Definitive Notes*

When a trust issues notes in definitive form, you will receive a note certificate evidencing your notes. The certificate will name you as the owner of such notes, unless you choose to have your broker/dealer, bank, trust company or other representative hold these certificates for you. If your name appears on the note certificate evidencing your notes, then you will be considered the owner of your notes for all purposes under the relevant indenture. For example, if the issuing trust needs to ask the holders of the applicable series of notes to vote on a proposed amendment to such series of notes, you will be asked to cast the vote regarding your notes. If you have chosen to have some other entity hold the note certificates for you, that entity will be considered the owner of your notes in the records of the issuing trust and will be entitled to cast the vote regarding your notes. However, this entity is required to contact you for voting instructions.

### *Exchanges*

Definitive notes cannot be exchanged for book-entry notes. Book-entry notes can be exchanged for definitive notes only if (1) the depository notifies the issuing trust that it is unwilling or unable to continue as depository for the global securities or the issuing trust becomes aware that the depository has ceased to be a clearing agency registered under the Exchange Act and, in any such case such trust fails to appoint a successor to the depository within 60 calendar days, (2) the issuing trust, in its sole discretion, determines that the global securities representing the notes of the relevant series shall be exchangeable for definitive notes or (3) an event of default has occurred and is continuing with respect to the relevant series of notes under the applicable indenture. In these limited circumstances, the issuing trust will issue to you definitive

notes in exchange for the book-entry notes. There will be no service charge for this exchange, but if a tax or other governmental charge is imposed, the issuing trust may require you to pay it.

## Clearing Systems

Unless specified in the applicable pricing supplement, each note will be deposited with, or on behalf of, DTC, as depositary, and registered in the name of Cede & Co. (DTC's partnership)

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nominee). Investors may elect to hold interests in the notes through DTC (in the United States) or, if the notes are eligible, through Clearstream Luxembourg or Euroclear, as operator (the "Euroclear Operator") of the Euroclear System, if they are participants in such systems or indirectly through organizations which are participants in such systems. Clearstream Luxembourg and the Euroclear Operator will hold interests on behalf of their participants through customers' securities accounts in Clearstream Luxembourg's and the Euroclear Operator's names, respectively, on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the DTC. It is anticipated that Citibank, N.A. will act as depositary for Clearstream Luxembourg and that The Chase Manhattan Bank will act as depositary for the Euroclear Operator (in such capacities, the "U.S. Depositaries").

If specified in the applicable pricing supplement, notes of a series may also be issued in registered global form and registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream Luxembourg.

Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream Luxembourg holds securities for its participating organizations ("Clearstream Participants") and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Agents named in this prospectus supplement or any applicable pricing supplement. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly.

Distributions with respect to the notes held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream Luxembourg.

The Euroclear Operator advises that Euroclear was created in 1968 to hold securities for participants of Euroclear ("Euroclear Participants") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by the Euroclear Operator under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Agents named in this prospectus supplement or any applicable pricing supplement. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator was granted a banking license by the Belgian Banking and Finance Commission in 2000, authorizing it to carry out banking activities on a global basis. It took over

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operation of Euroclear from the Brussels, Belgium office of Morgan Guaranty Trust Company of New York on December 31, 2000. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depositary for Euroclear.

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## GLOBAL CLEARANCE AND SETTLEMENT PROCEDURES

### General

Initial settlement for the notes of a series will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds. Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with DTC's rules on behalf of the relevant European international clearing system by its U.S. Depositary. However, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving notes in DTC, and making

or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to DTC. Because of time-zone differences, credits of notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and will be credited the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear Participants or Clearstream Participants on such business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in the DTC.

Although the DTC, Clearstream Luxembourg and the Euroclear Operator have agreed to the foregoing procedures in order to facilitate transfers of notes among participants in DTC, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Certain alternative clearance and settlement procedures will apply if the applicable pricing supplement specifies that notes of a series are denominated in non-U.S. dollar currencies. Such alternative procedures are described below under "Special Provisions Relating to Foreign Currency Notes".

### **Secondary Market Trading**

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

#### *Trading between DTC Participants*

Secondary market sales of notes held in DTC between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations.

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#### *Trading between Euroclear and/or Clearstream Participants*

Secondary market sales of beneficial interests in the notes held through Euroclear or Clearstream Luxembourg to purchasers that will hold beneficial interests through Euroclear or Clearstream Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

#### *Trading between DTC Seller and Euroclear/Clearstream Luxembourg Purchaser*

When book-entry interests in notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream Luxembourg acountholder, the purchaser must first send instructions to Euroclear or Clearstream Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream Luxembourg will then instruct its depository to receive the notes and make payment for them. On the settlement date, the depository will make payment to the DTC participant's account and the notes will be credited to the depository's account. After settlement has been completed, DTC will credit the notes to the U.S. Depository for Euroclear or Clearstream Luxembourg, as the case may be. Euroclear or Clearstream Luxembourg will credit the notes, in accordance with its usual procedures, to the participant's account, and the participant will then credit the purchaser's account. These securities credits will appear the next day (European time) after the settlement date. The cash debit from the account of Euroclear or Clearstream Luxembourg will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the cash debit will instead be valued at the actual settlement date. Since the settlement will occur during New York business hours, a DTC participant selling an interest in the notes can use its usual procedures for transferring notes to the U.S. Depository for Euroclear or Clearstream Luxembourg, as the case may be, for the benefit of Euroclear Participants or Clearstream Participants. The DTC seller will receive the sale proceeds on the settlement date. Thus, to the DTC seller, a cross-market sale will settle no differently than a trade between two DTC Participants.

#### *Trading between a Euroclear or Clearstream Luxembourg Seller and a DTC Purchaser*

Due to time zone differences in their favor, Euroclear participants and Clearstream Luxembourg participants can use their usual procedures to transfer notes through the applicable U.S. Depository to a DTC participant. The seller must first send instructions to Euroclear or Clearstream Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream Luxembourg will then instruct its U.S. Depository to credit the notes to the DTC participant's account and receive payment. The payment will be credited in the account of the Euroclear or Clearstream Luxembourg participant on the following day, but the receipt of the cash proceeds will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the receipt of the cash proceeds will instead be valued at the actual settlement date.

Although the foregoing sets out the procedures of Euroclear, Clearstream Luxembourg and DTC in order to facilitate the transfers of interests in the notes among participants of DTC, Clearstream Luxembourg and Euroclear, none of Euroclear, Clearstream Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the registrants and the trusts nor any Agent or any paying agent or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear and Clearstream Luxembourg or their respective direct or indirect participants or acountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

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## **SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES**

### **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 supplement is directed to prospective purchasers who are United States residents. The trusts 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—Risk Factors Relating to the Notes—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, each trust is obligated to make payments of principal of, and premium, if any, and interest, if any, on, a foreign currency note issued by it in the specified currency. Any amounts so payable by such trust 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 the issuing trust 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 regular interest 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 regular interest 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 regular interest 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 depository of its election on or prior to the third business day after the applicable regular interest record date or at least twelve calendar days prior to the maturity date, as the

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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 regular interest 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 depository, and by the depository to the indenture trustee, on or prior to such dates, then the applicable beneficial owner will receive payments in the specified currency.

Each trust 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 the Notes—General". Each trust 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 applicable 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". Each trust 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 the issuing trust 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 the control of the issuing trust, such trust will be entitled to satisfy the 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

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non-New York state court would follow the same rules and procedures with respect to conversions of foreign currency judgments.

Each trust will indemnify the registered holder of any note issued by it 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.

## DESCRIPTION OF THE FUNDING AGREEMENTS

Each trust will use the net proceeds from the issuance of its series of notes to the public to purchase from Global Funding one or more funding agreements issued by Allstate Life. The funding agreement(s) will have a principal amount equal to the principal amount of the related series of notes. The funding agreement(s) will otherwise have payment and other terms substantially similar to the related series of notes.

The funding agreement(s) may be interest bearing or non-interest bearing and, if interest bearing, may bear interest at fixed or floating rates. The calculation of the interest rate, the due dates for payments and other payment terms of each funding agreement will be determined in the manner substantially similar to that described above under "Description of the Notes". An amount equal to the principal amount of the funding agreement plus accrued but unpaid interest, if any, and accrued discount, if any (in the case of a discount funding agreement) (other than an amortizing funding agreement) will be payable on its maturity date. Allstate Life may issue an amortizing funding agreement that pays an amount in respect of both interest and deposit amount over the life of the funding agreement. For a more detailed discussion of the funding agreements, see "Description of the Funding Agreement" in the accompanying prospectus.

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## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

### General

This section provides a discussion of the material 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. This summary does not consider the United States Federal income tax consequences of the purchase, ownership or disposition of a note by a partnership. If a partnership holds a note, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding a note, and partners in a partnership holding a note, should consult their tax advisors.

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 (including an entity treated as a corporation 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;
- 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 an individual, a corporation, an estate or trust that is not a U.S. Holder.

### Classification of the Issuer and Notes

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

- Global Funding and each 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, Global Funding and each trust agree, and each holder and beneficial owner of notes by purchasing the notes agrees, for all United States Federal, state and local income and franchise tax purposes (i) to treat the notes as indebtedness of Allstate Life, (ii) Global Funding and each trust will

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be ignored and will not be treated as an association or a publicly traded partnership taxable as a corporation and (iii) to not take any action inconsistent with the treatment described in (i) and (ii) unless otherwise required by law. 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 IRS. The IRS might assert that each trust should be treated as a separate grantor trust for United States Federal income tax purposes, in which case the holders of beneficial interests in the notes related to such trust would be treated as owning a pro rata undivided interest in the assets of such trust. In such a case, the tax consequences to beneficial owners of the notes would not be materially different than those described herein. 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

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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 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

Notes that bear interest at floating rates ("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

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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 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

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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 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 the trusts 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 the option of the issuing trust 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.

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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.



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

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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.

#### *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), retirement or other disposition 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, retirement (other than amounts representing accrued and unpaid interest) or other disposition 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 into account 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.

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##### *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 amortizable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income at 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

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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
- 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.

### **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 States 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 other 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
- 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 28% 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 28% 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

The notes of a series will be offered to or through one or more of Merrill Lynch, Pierce, Fenner & Smith Incorporated, A.G. Edwards & Sons, Inc., Banc of America Securities LLC, Banc One Capital Markets, Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse First Boston LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities Inc., Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Securities L.L.C. (collectively, the "Agents") pursuant to a terms agreement among Global Funding, the issuing trust and each Agent named therein (each, a "terms agreement") and the distribution agreement between Global Funding and the Agents named therein, dated as of \_\_\_\_\_, 2004 (the "distribution agreement"). Each terms agreement will incorporate by reference the terms of the distribution agreement. The Agents, individually or in a syndicate, may purchase notes, as principal, from a trust 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, a trust may agree with an Agent for that Agent to utilize its reasonable efforts on an agency basis on its behalf to solicit offers to purchase notes at 100% of the principal amount thereof, unless otherwise specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, each trust will pay a commission to an Agent, ranging from .150% to .875% of the principal amount of each note, depending upon its stated maturity, sold through that Agent as its agent. The notes may be sold to United States and foreign institutional and other investors.

Subject to the terms of the applicable terms agreement and the distribution agreement, concurrently with any offering of a series of notes by a trust as described in this prospectus supplement, other trusts may issue other notes under this program or the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program.

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 a trust 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, the concession and the reallowance may be changed.

The offer made hereby may be modified without notice, and each trust may reject offers in whole or in part (whether placed directly by the issuing trust 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 of a series will not have an established trading market. Unless otherwise specified in the applicable pricing supplement, the notes will 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

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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 specified 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 Global Funding and the trusts nor any Agent make 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 Global Funding and the trusts nor any Agent make any representation that the Agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Agents participating in the distribution of notes will be "underwriters," with respect to the notes being distributed by them and the funding agreements being purchased by the issuing trust, and any discounts or commissions received by them on the sale or resale of notes may be deemed to be underwriting discounts and commissions under the Securities Act. The Agents may be entitled under agreements entered into with a trust, Global Funding and Allstate Life to indemnification against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that the Agents may be required to make in respect of such liabilities.

Global Funding is a statutory issuer of the notes and the funding notes under the Securities Act, and Allstate Life is a statutory issuer of the funding agreements under the Securities Act.

The indenture trustee is affiliated with J.P. Morgan Securities Inc., which is an Agent.

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.

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**\$4,000,000,000**

**Allstate Life Global Funding  
Depositor**

**Secured Medium Term Notes**

**Due Between Nine Months and 30 Years  
From the Date of Issue**

**Issued Through**

**Allstate Life Global Funding Trusts**

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**PROSPECTUS SUPPLEMENT**

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**Merrill Lynch & Co.  
A.G. Edwards & Sons, Inc.  
Banc of America Securities LLC  
Banc One Capital Markets, Inc.  
Barclays Capital  
Citigroup  
Credit Suisse First Boston  
Deutsche Bank Securities  
Goldman, Sachs & Co.  
JPMorgan  
Lehman Brothers  
Morgan Stanley  
UBS Investment Bank  
Wachovia Securities**

, 2004

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The information in this prospectus supplement is not complete and may be changed. Neither the depositor nor the trusts may sell these securities until the registration statement filed with the SEC is effective. This prospectus supplement 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 Supplement dated , 2004**

**PROSPECTUS SUPPLEMENT  
(To prospectus dated )**

**\$4,000,000,000  
Allstate Life Global Funding  
Depositor  
Allstate Life<sup>SM</sup> CoreNotes®  
Due Between Nine Months and 30 Years From the Date of Issue  
Issued Through  
Allstate Life Global Funding Trusts**

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Allstate Life Global Funding (the "depositor" or "Global Funding") is a statutory trust formed under the laws of the State of Delaware. Its sole purpose is to facilitate the programs for the issuance of one or more series of secured medium term notes, including the Allstate Life<sup>SM</sup> CoreNotes<sup>SM</sup>, which are referred to in this prospectus supplement as "notes". Each series of notes will be issued by a separate newly created Delaware statutory trust (each, a "trust"). Allstate Life Global Funding will be the sole beneficial owner of each trust that is formed. The notes may have an aggregate principal amount of up to \$4,000,000,000.

The specific terms of each series of notes will be set forth in a separate pricing supplement. You should read this prospectus supplement, the accompanying prospectus and the applicable pricing supplement carefully before you invest.

The notes of each series:

- will be the unconditional, direct, non-recourse, secured and unsubordinated obligations of the issuing trust;
- will be secured by one or more funding agreements issued by Allstate Life Insurance Company ("Allstate Life"), and assigned absolutely to, and deposited into, the issuing trust by Allstate Life Global Funding;
- will have a stated maturity of nine months to 30 years from the date of issue;
- will have redemption and/or repayment provisions, if applicable, whether mandatory or at the option of the issuing trust or the holders of such notes;
- will provide for payments in U.S. dollars;
- will, unless otherwise specified in the applicable pricing supplement, have a minimum denomination of \$1,000 and integral multiples of \$1,000 in excess thereof;

- will be in book-entry form;
- will bear interest at fixed or floating rates; unless otherwise specified in the applicable pricing supplement, each trust will pay interest on the relevant series of notes on a monthly, quarterly, semiannual or annual basis;
- will be secured by the right, title and interest of the issuing trust in and to (1) the funding agreement(s) held by that trust, (2) all proceeds of such funding agreement(s) and (3) all books and records pertaining to such funding agreement(s); and
- may be sold in the United States to retail and other investors.

**Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page S-14.**

Neither the Securities and Exchange Commission, any state securities commission nor any state insurance commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

## Merrill Lynch & Co.

The date of this prospectus supplement is \_\_\_\_\_, 2004.

"Allstate Life<sup>SM</sup>" is a service mark of Allstate Insurance Company.

"CoreNotes<sup>®</sup>" is a registered service mark of Merrill Lynch & Co., Inc.

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Each trust may sell its notes to the Purchasing Agent referred to below as principal for resale at a fixed offering price specified in the applicable pricing supplement or at varying prices. Each trust may also explicitly agree with the Purchasing Agent that it will use its reasonable efforts as agent on behalf of the issuing trust to solicit offers to purchase notes of the applicable series from

that trust at 100% of the principal amount thereof, unless otherwise specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, any note sold to the Purchasing Agent as principal will be purchased by the Purchasing 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. Unless otherwise specified in the applicable pricing supplement, each trust will pay a commission to the Purchasing Agent, ranging from .125% to 2.50% of the principal amount of each applicable note, depending upon its stated maturity, for each note purchased from the issuing trust by the Purchasing Agent as its agent.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. Neither of the registrants nor the Purchasing 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 of the registrants nor the Purchasing Agent is making an offer to sell notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement, the accompanying prospectus or the applicable pricing

## FORWARD-LOOKING STATEMENTS

### Allstate Life

This prospectus supplement, the accompanying prospectus and each applicable pricing supplement may include forward-looking statements of Allstate Life. These forward-looking statements are not statements of historical fact but rather reflect 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 Allstate Life or its management. When Allstate Life makes forward-looking statements, Allstate Life is basing them on its management's beliefs and assumptions, using information currently available to Allstate Life. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this prospectus supplement, the accompanying prospectus and in each applicable pricing supplement. Factors that can cause or contribute to these differences include those described under the heading "Risk Factors" in this prospectus supplement. Allstate Life undertakes 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 Allstate Life's underlying assumptions prove to be incorrect, actual results may vary materially from what Allstate Life projected. Any forward-looking statements of Allstate Life you read in this prospectus supplement, the accompanying prospectus or any pricing supplement reflect Allstate Life's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to Allstate Life's operations, results of operations, growth strategy and liquidity. All subsequent written and oral forward-looking statements attributable to Allstate Life or individuals acting on Allstate Life's behalf are expressly qualified in their entirety by this section. You should specifically consider the factors identified in this prospectus supplement, the accompanying prospectus and each applicable pricing supplement which could cause actual results to differ before making an investment decision.

### Global Funding and the Trusts

This prospectus supplement, the accompanying prospectus and each applicable pricing supplement may include forward-looking statements of Global Funding and the trusts. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this prospectus supplement, the accompanying prospectus and in each applicable pricing supplement. Global Funding does not, and the trusts will not, undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You should specifically consider the factors identified in this prospectus supplement, the accompanying prospectus and each applicable pricing supplement before making an investment

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decision. Global Funding and the issuing trusts are not currently entitled to the safe harbors contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Therefore, forward-looking statements of Global Funding and the issuing trusts in this prospectus supplement and the accompanying prospectus are not currently and will never be entitled to these safe harbors.

## ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PRICING SUPPLEMENTS

This document is a prospectus supplement and supplements a prospectus which is part of a registration statement filed with the Securities and Exchange Commission (the "SEC") by Allstate Life Global Funding and Allstate Life Insurance Company (the "registrants"). This prospectus supplement provides you with a general description of the notes. The trusts may sell these notes in various offerings up to an aggregate initial offering price of \$4,000,000,000, less any amount of notes previously issued by the trusts under this program or pursuant to a separate prospectus supplement that relates to the Allstate Life Global Funding secured medium term note program. References in this prospectus supplement to "notes" are to the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> offered by this prospectus supplement.

This prospectus supplement and the information incorporated by reference in it may update, supplement or clarify the information in the accompanying prospectus. You will also receive a pricing supplement with the prospectus supplement. The pricing supplement will contain the specific description of the notes offered at the time and the terms on which the notes are offered. That pricing supplement also may add, update, supplement or clarify information in this prospectus supplement and the accompanying prospectus. You should carefully review such additional, updated, supplemental or clarifying information contained in the pricing supplement.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus, as well as in the applicable pricing supplement relating to the particular offering of notes, in making your decision to invest in notes. You should also read and consider the information in the documents referred to in "Incorporation of Documents by Reference" in the accompanying prospectus.

In this prospectus supplement, references to the "depositor" and "Global Funding" are to Allstate Life Global Funding. References to the "trusts" are to Allstate Life Global Funding Trusts. References to an "issuing trust" are to a trust with respect to the series of notes issued and sold to the public by that trust. These references are not to Allstate Life Insurance Company. In this prospectus supplement, references to "Allstate Life" are to Allstate Life Insurance Company. References to "Purchasing Agent" are to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

In this prospectus supplement, references to "United States dollars," "U.S. dollars" or "\$" are to lawful currency of the United States of America.

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## SUMMARY

This section summarizes certain of the legal and financial terms of the notes that are described in more detail in this prospectus supplement under "Description of the Notes" beginning on page S- and other information described elsewhere in this prospectus supplement or the accompanying prospectus. You should read the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus, as well as in the applicable pricing supplement relating to the particular offering of notes.

The Trusts

Each series of notes will be issued by a separate newly created Delaware statutory trust (each, a "trust") formed by Allstate Life Global Funding, as trust beneficial owner, AMACAR Pacific Corp., as administrator (the "administrator"), and Wilmington Trust Company, as Delaware trustee (the "Delaware trustee"), pursuant to the filing of a certificate of trust and the execution of a trust agreement. Each trust agreement pursuant to which various trusts may be formed from time to time to issue notes is referred to in this prospectus supplement as a "trust agreement". Allstate Life Global Funding will be the sole beneficial owner of each trust that is formed.

Depositor

Allstate Life Global Funding is the depositor of the funding agreements into the issuing trusts.

Purposes of Depositor and Trusts

The sole purpose of Global Funding is to facilitate the programs for the issuance of notes. The sole purpose of each trust is to issue the related series of notes to the public, which notes will be secured by one or more funding agreements issued by Allstate Life, and assigned absolutely to, and deposited into, the issuing trust by Global Funding. Each trust will use the net proceeds received from issuing its series of notes to acquire one or more funding agreements. Each trust will hold the collateral described below pertaining to its series of notes to fund its obligations under that series of notes. Each trust will pledge and collaterally assign the funding agreement(s) held in that trust to the indenture trustee for the benefit of the holders of that trust's series of notes. Holders of notes of a series may only look to the funding agreement(s) and any other collateral held in, or pledged and collaterally assigned to

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the indenture trustee by, the issuing trust for payment on their notes and not to the assets held in any other trust.

No trust will be affiliated with Allstate Life.

Allstate Life Can Issue Medium Term Notes and Funding Agreements Directly to Investors

Allstate Life is able to issue its own medium term notes directly to investors and does issue funding agreements directly to qualified investors. However, by securing each trust's notes with one or more of Allstate Life's funding agreements, such trust's notes are secured by an asset that would have a higher priority in insolvency than unsecured medium term notes of Allstate Life and may be entitled to receive a higher investment rating than unsecured medium term notes of Allstate Life. In addition, funding agreements are very difficult to transfer and have no active secondary market. By securing each trust's notes with one or more of Allstate Life's funding agreements, investors may be able to avail themselves of many of the benefits of Allstate Life's funding agreements while benefiting from the liquidity afforded by each trust's medium term notes.

Collateral; Status

The notes of a series will be secured by the right, title and interest of the issuing trust in and to (1) the funding agreement(s) held by that trust, (2) all proceeds of such funding agreement(s) and (3) all books and records pertaining to such funding agreement(s). In this prospectus supplement, references to "other collateral" are to items (2) and (3) above.

The notes of a series will be the unconditional, direct, non-recourse and unsubordinated obligations of the issuing trust and will rank equally among themselves. Each series of notes will be secured by and payable solely out of the assets of the issuing trust, and holders of such series of notes will have no right against the assets of Global Funding or the assets of any other trust.

Each series of notes may be accelerated in the payment of principal and outstanding interest if an event of default under the notes occurs. Upon the occurrence of an event of

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default, the indenture trustee (described below) on behalf of the holders of notes may only proceed against the collateral held in the issuing trust.

The notes of each series are not, and will not be, insurance contracts, insurance policies or funding agreements.

The notes are not obligations of Allstate Life, Global Funding or any other person or entity other than the trust that issued the relevant notes. The notes are not guaranteed by any person or entity. The notes will not benefit from any insurance guaranty fund coverage or any similar protection.

Funding Agreements

Each trust will use the net proceeds received from the offering of its series of notes to purchase from Global Funding one or more funding agreements issued by Allstate Life. The funding agreement(s) will have a principal amount equal to the principal amount of the related series of notes. The funding agreement(s) will otherwise have payment and other terms substantially similar to the related series of notes.

The funding agreements are unsecured obligations of Allstate Life, an Illinois stock life insurance company. 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 by "policyholders, beneficiaries, and insureds, under insurance policies,



annuity contracts, and funding agreements" receive payment prior to any distribution to general creditors not falling within any other priority class under the Illinois Insurance Code.

The registrants believe that in a properly prepared and presented case in a delinquency proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS Section 5/187 *et seq.* (the "Illinois Liquidation Act"), the timely and properly filed claims of an owner under the funding agreement (with the possible exception of claims for Additional Amounts, as discussed below) would be entitled to distribution *pari passu* with

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claims made by other policyholders, beneficiaries, and insureds under other insurance policies, insurance contracts, annuities and funding agreements 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 Section 5/205(1)(d) of the Illinois Liquidation Act, and an owner's claims under the funding agreement should not be recharacterized as other than the claims of a policyholder, beneficiary, or insured under an insurance policy, insurance contract, annuity or funding agreement.

The obligations of Allstate Life under any funding agreement will not be guaranteed by any person or entity.

If a funding agreement so provides, Allstate Life may be required to pay Additional Amounts (as such term is defined therein) to the indenture trustee as collateral assignee of the funding agreement. For a discussion regarding payment of Additional Amounts, see "Description of the Notes—Withholding Tax; No Payment of Additional Amounts". Although such payments could be viewed as a claim under the funding agreements within the meaning of Section 5/205(1)(d), they may also be argued to be a separate payment obligation. Therefore, while in a proceeding before a court of competent jurisdiction the court might find that a claim for an Additional Amount constitutes a claim under a funding agreement, it also might find that such a claim is not a claim entitled to the priority afforded by Section 5/205(1)(d). If a claim for an Additional Amount does not constitute a claim entitled to the priority afforded by Section 5/205(1)(d), then in a properly prepared and presented case any claim for an Additional Amount would be entitled to the same priority as claims of general creditors of Allstate Life under Section 5/205(1)(g).

With respect to the issuance of any series of the notes, the aggregate amount of Allstate Life's liabilities that would rank *pari passu* with each funding agreement securing such series of notes is disclosed in the financial statements of

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Allstate Life contained in Allstate Life's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q filed with the SEC, in each case as of the date of such financial statements. This amount appears in the Consolidated Statements of Financial Position as a liability under the line item entitled "Contractholder funds".

Title	Allstate Life <sup>SM</sup> CoreNotes®
Allstate Life <sup>SM</sup> CoreNotes® Program	This prospectus supplement relates to one or more series of notes that one or more Delaware special purpose statutory trusts that may be formed from time to time may issue and sell primarily to retail investors under this Allstate Life <sup>SM</sup> CoreNotes® program. Allstate Life <sup>SM</sup> CoreNotes® will be offered from time to time to the public, with payment of principal of, any premium and interest on, and any other amounts due and owing with respect to, the Allstate Life <sup>SM</sup> CoreNotes® to be secured by one or more applicable funding agreements issued by Allstate Life and sold to, and deposited into, the issuing trust by Global Funding.
Secured Medium Term Notes Program	Included in the registration statement, of which this prospectus supplement is a part, is another prospectus supplement relating to series of notes that may be issued and sold primarily to institutional investors by one or more newly established Delaware statutory trusts under the related secured medium term notes program. The terms of the secured medium term notes are identical in all material respects to the terms of the notes to be sold under this program, as described in this prospectus supplement, except that the secured medium term notes: <ul data-bbox="606 1944 1568 2128" style="list-style-type: none"><li>• may be issued as amortizing notes;</li><li>• may be denominated in one or more foreign currencies;</li><li>• will not contain a survivor's option, permitting optional repayment of notes of a series, subject to certain limitations, prior to maturity, if requested, following the death of the beneficial owner of notes of that series; and</li></ul>

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	<ul style="list-style-type: none"> <li>may contain a provision providing for the redemption of the notes if Allstate Life is required to pay additional amounts on the related funding agreements pursuant to the applicable pricing supplement and Allstate Life exercises its right to redeem the funding agreements.</li> </ul>
Indentures and Indenture Trustee	Each series of notes will be issued by the issuing trust pursuant to a separate indenture (each, an "indenture") to be entered into between the issuing trust and J.P. Morgan Trust Company, National Association, in its capacity as indenture trustee (including any successor, the "indenture trustee"). Each indenture will be subject to and qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The indenture trustee is not affiliated with the trusts, the depositor or Allstate Life.
Funding Notes	<p>Each trust will use the net proceeds received from the issuance of the related series of notes to purchase a funding note (each, a "funding note") from Global Funding. Global Funding will use the net proceeds received from the sale of the related funding note to purchase one or more funding agreements issued by Allstate Life. Global Funding will immediately assign absolutely to, and deposit into, the issuing trust each such funding agreement, and the relevant funding note will be surrendered.</p> <p>Each funding note will have a principal amount equal to the principal amount of the related series of notes. Each funding note will otherwise have payment and other terms substantially similar to the related series of notes, except that each funding note will contain a provision that makes it immediately cancelable upon the assignment and deposit by Global Funding of the related funding agreement(s) to the related issuing trust.</p>
Ratings	Unless otherwise indicated in the applicable pricing supplement, each series of notes, the related funding note and the funding agreement(s) securing such series of notes will have an issue credit rating of from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. We expect the program to be rated by Moody's Investors Service, Inc. ("Moody's"). If

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	Moody's changes the program rating, the new program rating will be specified in the applicable pricing supplement. Notes of a series will be issued under the program only in the event that, at the time of issuance of such series of notes, at least one nationally recognized rating agency would assign an investment grade rating to such series of notes, the related funding note and the funding agreement(s) securing such series of notes.
Purchasing Agent	Merrill Lynch, Pierce, Fenner & Smith Incorporated.
Amount	Up to \$4,000,000,000 of notes less any amount of notes previously issued under this program, the related secured medium term note program or otherwise under the accompanying prospectus.
Form of Notes	Book-entry through the facilities of The Depository Trust Company ("DTC"), except as otherwise described under "Description of the Notes—Book-Entry Notes."
Maturities	<p>Each series of notes will mature nine months to 30 years from its date of original issuance. Each series of notes will have the same maturity date as the related funding agreement(s).</p> <p>Each series of notes may be accelerated in the payment of principal and outstanding interest if an event of default under such series of the notes occurs. Upon the occurrence of an event of default, the indenture trustee (as defined below) on behalf of the holders of notes may only proceed against the collateral held by the issuing trust.</p>
Interest	<p>Each fixed rate note will bear interest from its date of issue at the rate stated in the applicable pricing supplement until the principal is paid.</p> <p>Each floating rate note will bear interest from the date of issue until the principal is paid at a rate determined by reference to an interest rate or interest rate formula, which may be adjusted by a spread and/or spread multiplier (each as more fully described under "Description of the Notes"). The pricing supplement will designate one or more of the</p>

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following base rates, along with the index maturity for that base rate:

- the CD Rate,
- the CMT Rate,
- the Commercial Paper Rate,

- the Federal Funds Rate,
- LIBOR,
- the Prime Rate,
- the Treasury Rate, or
- such other base rate or interest rate formula as may be set forth in the applicable pricing supplement.

Interest on each note will be payable either monthly, quarterly, semiannually or annually on each interest payment date and at maturity or, if applicable, earlier redemption or repayment, and will be computed on the basis of a 360-day year of twelve 30-day months, unless otherwise specified in the pricing supplement.

Currency and Denominations

Notes will be denominated in U.S. dollars. Unless otherwise specified in the applicable pricing supplement, notes will be issued and sold in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

Principal

The principal amount of each note will be payable on its stated maturity date specified in the applicable pricing supplement, unless earlier redeemed or repaid in accordance with its terms.

Redemption

Unless otherwise specified in the applicable pricing supplement:

- the notes will not be redeemable prior to maturity; and
- the notes will not be subject to any sinking fund.

Survivor's Option

A series of notes may contain a provision (which is referred to as the "survivor's option") permitting optional repayment of notes of that series prior to maturity, if requested,

following the death of the beneficial owner of notes of that series, so long as the notes were held by the beneficial owner or the estate of the beneficial owner for a period beginning at least six months immediately prior to such death. Your notes may not be repaid in this manner unless the pricing supplement for your series of notes provides for the survivor's option. If the pricing supplement for your series of notes provides for the survivor's option, the funding agreement securing your series of notes will contain a provision which will allow the issuing trust to tender the funding agreement in whole or in part to Allstate Life. An issuing trust's ability to tender funding agreements related to its series of notes that contains a survivor's option, however, will be subject to certain limitations set by Allstate Life. As a result, your right to exercise the survivor's option is subject to limits set by Allstate Life with respect to the relevant funding agreement. Allstate Life has the discretionary right to limit the aggregate principal amount of:

- all funding agreements securing all outstanding series of notes issued under the Allstate Life<sup>SM</sup> CoreNotes® program as to which exercises of any put option by any issuing trust shall be accepted by Allstate Life in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the aggregate principal amount of all funding agreements securing all outstanding series of notes issued under the Allstate Life<sup>SM</sup> CoreNotes® program as of the end of the most recent calendar year or such other greater amount as determined in accordance with the applicable funding agreement and set forth in the applicable pricing supplement;
- the funding agreements securing the notes of a series as to which exercises of any put option by the applicable trust attributable to notes as to which the survivor's option has been exercised by the authorized representative of any individual deceased beneficial owner to \$250,000 in any calendar year or such other greater amount as determined in accordance with the

applicable funding agreement and set forth in the applicable pricing supplement; and

- the funding agreements securing a series of notes as to which exercises of any put option by the applicable trust attributable to notes as to which the survivor's option has been exercised shall be accepted in any calendar year to an amount as set forth in the applicable funding agreement and the applicable pricing supplement.

Additional details on the survivor's option are described in the section titled "Description of the Notes—Survivor's Option" on page S-33.

Listing

Unless otherwise specified in the applicable pricing supplement, a series of notes will not be listed on any securities exchange.

Wilmington Trust Company, a Delaware banking corporation, will initially be the sole trustee of Global Funding and each trust. The Delaware trustee will not be obligated in any way to make payments under or in respect of any notes, any funding notes or any funding agreements. The Delaware trustee is not affiliated with Allstate Life or the indenture trustee.

AMACAR Pacific Corp. will initially be the administrator of Global Funding and each trust. The administrator will not be obligated in any way to make any payments under or in respect of the notes, any funding notes or any funding agreements. The administrator is not affiliated with Allstate Life or the indenture trustee.

Allstate Life and Global Funding entered into a support and expenses agreement dated as of \_\_\_\_\_ (the "depositor support agreement"). Pursuant to the depositor support agreement, Allstate Life agreed, among other things, to pay certain costs and expenses relating to the offering, sale and issuance of each funding note and certain costs, expenses and taxes incurred by Global Funding. Pursuant to the depositor trust agreement, Allstate Life also agreed to indemnify the indenture trustee, the

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Delaware trustee, the administrator and each other service provider, as well as Global Funding, with respect to certain matters.

In connection with the issuance of a series of notes, Allstate Life and the issuing trust will enter into a support and expenses agreement (each, a "support agreement"). Under each support agreement, Allstate Life will agree to pay certain costs and expenses relating to the offering, sale and issuance of the applicable series of notes and certain costs, expenses and taxes incurred by the issuing trust. Pursuant to each support agreement, Allstate Life will also agree to indemnify the indenture trustee, the Delaware trustee, the administrator and each other service provider, as well as the issuing trust, with respect to certain matters.

The notes, each indenture and each funding note will be governed by, and construed in accordance with, the laws of the State of New York. The depositor trust agreement is, and each trust agreement will be, governed by, and construed in accordance with, the laws of the State of Delaware. The funding agreements will be governed by the laws of the State of Illinois.

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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. You should also consult the discussion of risk factors set forth in Allstate Life's Annual Report on Form 10-K for the year ended December 31, 2002, which is incorporated into this prospectus supplement and the accompanying prospectus by reference.*

### Risk Factors Relating to the Depositor and the Trusts

*Each trust will have limited resources and therefore its ability to make timely payments with respect to its series of notes will depend upon Allstate Life making payments under the relevant funding agreement*

The ability of a trust to make timely payments with respect to the related series of notes is principally dependent upon Allstate Life making the related payments under each relevant funding agreement. Each trust is a special purpose statutory trust formed for the purpose of the issuance of the related series of notes. The obligations under a series of notes will be secured by and payable solely from the collateral held in the issuing trust. No series of notes will have any right to receive payments from the collateral related to any other series of notes.

*The notes of a series are the obligations only of the issuing trust and are not obligations of, or guaranteed by, Allstate Life or any of its affiliates*

The notes are not obligations of Allstate Life, Global Funding or any other person or entity other than the issuing trust. The notes are not guaranteed by any person or entity. Except pursuant to the terms of the funding agreement(s) included in the collateral for each series of notes, none of these entities nor any agent, trustee or beneficial owner of Global Funding or the trusts, in respect of any trust, is under any obligation to provide funds or capital to Global Funding or the trusts or with respect to any series of notes issued by the trusts. The net worth of Global Funding on the date hereof is approximately \$1,000 and is not expected to increase materially. The net worth of each trust is expected to be minimal.

*As of the date hereof, Global Funding has, and as of the date of issue of any series of notes, the issuing trust will have, no prior operating history*

Global Funding is and the trusts will be special purpose statutory trusts organized under the laws of the State of Delaware. Global Funding exists for the sole purpose of facilitating the programs for the issuance of notes. Each trust will exist for the exclusive purposes of: issuing and selling one series of notes to investors; using the net proceeds from the sale of series of notes to acquire the related collateral, including one or more funding agreements; and engaging in other

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activities necessary or incidental thereto. As of the date hereof, Global Funding has, and as of the date of issue of any series of notes, the issuing trust will have, no prior operating history.

### Risk Factors Relating to the Notes

The obligations under the notes of a series are non-recourse obligations payable solely from the applicable collateral constituting the assets of the issuing trust. 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 the indenture trustee, on behalf of such holders, 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, Global Funding, any other trust or any of Allstate Life, its officers, directors, affiliates, employees or agents or any of the trustees, beneficial owners or agents, or any of their respective officers, directors, affiliates, employees or agents in the case of any judgment in which there is deficiency remaining after foreclosure of any property included in such collateral. If an event of default shall have occurred under a series of notes, the indenture trustee will be entitled to have its fees and expenses paid solely from the collateral of such series of notes before holders of the notes of such series receive payment of the amounts then due and owing with respect to their notes; *provided*, that such priority of the indenture trustee over the holders of the notes of a series will be limited to an aggregate amount of no more than \$250,000 for all series of notes. All claims of the holders of a series of notes in excess of amounts received from the 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(s). In that event, it is possible that the obligations under any series of notes may be accelerated while the obligations of Allstate Life under the applicable funding agreement(s) may not be similarly accelerated. If this occurs, the indenture trustee may have no or limited ability to proceed against the applicable funding agreement(s) and the related collateral and holders of the notes may not be paid in full, or in a timely manner upon such acceleration. See "Description of the Indentures—Events of Default" in the accompanying prospectus.

*Allstate Life will be the sole obligor under the funding agreements*

Since Allstate Life will be the sole obligor under the funding agreements, the ability of a trust to meet its obligations, and your ability to receive payments from such trust, 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 issuing 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 the issuing trust, its successors and permitted assignees. In connection with the offering and sale of a series of notes, the issuing trust will pledge, collateralize and grant a security interest in the collateral for such series of notes to the indenture trustee on behalf of the holders of the

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applicable series of notes and the other persons identified in the relevant indenture. 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 and the other persons identified in the relevant indenture. Accordingly, if Allstate Life fails to perform its obligations under the applicable funding agreement(s), your ability to receive payments from the issuing trust would be materially and adversely affected.

Nonetheless, since Allstate Life is a registrant, purchasers of notes may be able to proceed directly against Allstate Life to enforce their rights under the Federal securities laws and their rights under the Federal securities laws will be no different than if they purchased the underlying funding agreements directly from Allstate Life.

*The notes could be deemed to be participations in the funding agreements or could otherwise be deemed to be contracts of insurance and holders of the notes could be found to be acting as insurance agents or brokers*

The laws and regulations of each state of the United States and the District of Columbia (the "covered jurisdictions") contain broad definitions of the activities that may constitute the conduct of the business of insurance in such jurisdictions. Because the primary asset of each trust will be one or more funding agreements issued by Allstate Life, which will be sold to, and deposited into, the issuing trust by Global Funding, it is possible that a trust's issuance of notes, Global Funding's issuance of the related funding note or the performance of the issuing trust's obligations under the notes, including the payment or prepayment of amounts due under the notes, or the purchase, resale or assignment of the notes by any investor or any person who acquires the notes directly or indirectly from such investor:

- could be characterized by one or more jurisdictions as the conduct of the business of insurance by Global Funding, the issuing trust, any such investor or any such other person or
- could otherwise subject Global Funding, the issuing trust, any such investor or any such other person to regulation under the insurance laws of one or more covered jurisdictions.

This could, among other effects, require such persons to be subject to regulatory licensure or other qualifications and levels of compliance that cannot practically be achieved. Failure to comply with such requirements could subject any such person to regulatory penalties. In the event Global Funding or any trust is subject to any such penalties or any other liabilities resulting from such regulation, the ability of holders to receive payment under the notes could be materially and adversely affected. In addition, any such failure to comply or the threat of any such regulation could reduce liquidity with respect to the notes, prevent an investor from transferring notes and reduce the marketability and market value of the notes. Therefore, any such regulation or threat of regulation by any one or more covered jurisdictions could result in an investor either being

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unable to liquidate its investment in the notes or, upon any such liquidation, receiving a value significantly less than the initial investment in the notes.

The Illinois Department of Insurance has confirmed that it does not consider the sale of publicly offered funding agreement backed medium term notes to violate the Illinois Insurance Code. In addition, the Illinois Department of Insurance has approved the form of funding agreement to be used in connection with the offering of notes.

Based primarily upon communications with the staff of the insurance regulatory bodies in most states and advice of LeBoeuf, Lamb, Greene & MacRae, L.L.P., Allstate Life and Global Funding believe that:

- the notes should not be subject to regulation as participations in the funding agreements themselves or otherwise constitute insurance contracts under the insurance laws of the covered jurisdictions; and
- Global Funding, the trusts and persons selling or purchasing the notes should not be subject to regulation as doing an insurance business under the insurance laws of the covered jurisdictions by virtue of their respective activities in connection with the offer, sale and/or purchase of the notes.

There are, however, wide variations in the insurance laws of the covered jurisdictions, subtle nuances in their application, and a general absence of any consistent pattern of interpretation or enforcement. Insurance regulatory authorities have broad discretionary powers in administering the insurance laws, including the authority to modify or withdraw a regulatory interpretation, impose new rules, and take a position contrary to Allstate Life's. In addition, state courts are not bound by any regulatory

interpretations and could take a position contrary to Allstate Life's. Consequently, there can be no assurance that the purchase, resale or assignment of the notes or the funding notes will not subject the parties to such transaction to regulation or enforcement proceedings under the insurance laws of one or more covered jurisdictions.

*Payments under funding agreements may be insufficient to pay principal and interest, if any, under the notes*

Payments of the principal of and any interest on a series of notes will be made solely from the payments the issuing trust receives under the applicable funding agreement(s). Unless otherwise specified in this prospectus supplement or the applicable pricing supplement, Allstate Life will not pay any Additional Amounts (as defined in the applicable funding agreement) in respect of a funding agreement 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 in respect of a funding agreement, by or on behalf of any governmental authority and each holder of a note of the related series of notes will be deemed for all purposes to have received cash in an amount equal to the portion of such withholding or deduction that is attributable to such holder's interest in the notes, as equitably determined by the

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issuing trust. Under this circumstance, the issuing trust will not actually pay, or cause to be paid, to such holder all of the amounts which would have been receivable by such holder in the absence of such taxes, duties, levies, assessments or other governmental charges.

*Redemption may adversely affect your return on the notes*

If your notes are redeemable at the option of the issuing trust, it 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, the issuing trust may be required to redeem your notes also at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an interest rate equal to the interest rate on 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. No assurance can be given that a trading market for your notes will ever develop or be maintained if developed. In addition to the creditworthiness of Allstate Life and the issuing trust, many factors affect the trading market for, and trading value of, your notes. These factors include:

- the time remaining to the maturity of your notes;
- the outstanding amount of the applicable series of notes;
- any redemption features of 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.

*Ratings of this Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program described in this prospectus supplement, the related medium term note program and each series of notes may not reflect all risks of an investment in the notes*

Each series of notes will be rated by at least one nationally recognized statistical rating organization. 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 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

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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 this Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program described in this prospectus supplement, the related medium term note program and each 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.

*Any survivor's option may be subject to certain limitations*

Under the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program, Allstate Life has the discretionary right to limit the aggregate principal amount of:

- all funding agreements securing all outstanding series of notes as to which exercises of any put option by any issuing trust shall be accepted by Allstate Life in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the aggregate principal amount of all funding agreements securing all outstanding series of notes issued under the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program as of the end of the most recent calendar year or such other greater amount as determined in accordance with the applicable funding agreement(s) and set forth in the applicable pricing supplement;
- the funding agreement(s) securing the notes of a series as to which exercises of any put option by the applicable trust attributable to notes as to which the survivor's option has been exercised by the authorized representative of any individual deceased beneficial owner to \$250,000 in any calendar year or such other greater amount as determined in accordance with the applicable funding agreement(s) and set forth in the applicable pricing supplement; and
- the funding agreement(s) securing a series of notes as to which exercises of any put option by the applicable trust shall be accepted in any calendar year to an amount as set forth in the applicable funding agreement(s) and the applicable pricing supplement.

In any such event, each trust shall similarly be required to limit the aggregate principal amount of notes as to which exercises of the survivor's option shall be accepted by it. Accordingly, no assurance can be given that the exercise of the survivor's option for a desired amount will be accepted as to any series of notes or in any single calendar year.

*An increase in market interest rates could result in a decrease in the value of any notes bearing interest at a fixed rate*

If market interest rates increase above the interest rate of notes bearing interest at a fixed rate, such notes bearing interest at a fixed rate generally decline in value because debt instruments of the same face value priced at market interest rates will yield higher income. Consequently, if you purchase fixed rate notes and market interest rates increase above the fixed

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interest rate on the notes you have purchased, the market value of your notes may decline. Allstate Life can give no assurance regarding the future level of market interest rates.

*If you purchase discount notes, the amount payable to you upon early redemption, repayment of acceleration of these notes may be less than the principal amount (i.e., par) of the notes plus accrued but unpaid interest and premium, if any.*

If you purchase discount notes, the amount payable to you upon early redemption, repayment or acceleration of these notes may be less than the principal amount thereof plus accrued and unpaid interest. The amount payable will be determined by the formula set forth in this prospectus supplement or pricing supplement.

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

*The funding agreements are unsecured obligations of Allstate Life. If the funding agreements were not determined to be insurance contracts, they would be accorded the same priority in an insolvency of Allstate Life as its other general unsecured obligations.*

The primary assets of each trust will be one or more funding agreements, and payments on the notes of a series will principally depend on payments under each related funding agreement(s). In addition, each trust will grant a security interest in, pledge and assign as collateral each funding agreement it acquires with the proceeds from the offering of a series of notes together with the related collateral to the indenture trustee, on behalf of the holders of the notes of such series and other persons specified in the relevant indenture, to secure the obligations under that series of notes.

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 by "policyholders, beneficiaries, and insureds, under insurance policies, annuity contracts, and funding agreements" 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.

In a properly prepared and presented case in a delinquency proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS Section 5/187 *et seq.* (the "Illinois Liquidation Act"), the timely and properly filed claims of an owner under the funding agreement (with the possible exception of claims for Additional Amounts, as discussed below) would be entitled to distribution *pari passu* with claims made by other policyholders, beneficiaries, and insureds under other insurance policies, insurance contracts, annuities and funding agreements 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 Section 5/205(1)(d) of the Illinois Liquidation Act, and an owner's claims under the funding agreement should not be recharacterized as other

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than the claims of a policyholder, beneficiary, or insured under an insurance policy, insurance contract, annuity or funding agreement.

In the absence of controlling judicial precedents, the opinion of Lord, Bissell & Brook is based on a reasoned analysis of Illinois statutes, as well as application of other states' judicial decisions involving similar or analogous circumstances. Investors should note that in the event of the insolvency of an insurance company, however, the judicial application of statutes governing the distribution of the insurer's general assets has typically proceeded on a case-by-case basis.

*Additional Amounts may be considered a separate payment obligation and may not be subject to the same priority as other amounts claimed under the funding agreements*

If a funding agreement so provides, Allstate Life may be required to pay Additional Amounts (as such term is defined therein) to the indenture trustee as collateral assignee of the funding agreement. Although such payments could be viewed as a claim under the funding agreements within the meaning of Section 5/205(1)(d), they may also be argued to be a separate payment obligation. Therefore, while in a proceeding before a court of competent jurisdiction, the court might find that a claim for an Additional Amount constitutes a claim under a funding agreement, it also might find that such a claim is not a claim entitled to the priority afforded by Section 5/205(1)(d). Lord, Bissell & Brook has opined that if a claim for an Additional Amount does not constitute a claim entitled to the priority afforded by Section 5/205(1)(d), then in a properly prepared and presented case any claim for an Additional Amount would be entitled to the same priority as claims of general creditors of Allstate Life under Section 5/205(1)(g). Accordingly, in the event of the insolvency of Allstate Life, your claim for any payments of Additional Amounts may be subordinated to claims for other amounts under the applicable funding agreement.

*Changes in Federal tax legislation could adversely affect Allstate Life's business*

Under the Internal Revenue Code of 1986, as amended (the "Code"), United States Federal income tax payable by policyholders on investment earnings is deferred during the accumulation period of certain life insurance and annuity products. Thus, taxes, if any, are payable on income attributable to a distribution under the contract for the year in which the distribution is made. This favorable tax treatment may give certain of Allstate Life's products a competitive advantage over other noninsurance products. On May 28, 2003, President Bush signed the Jobs and Growth Tax Relief Reconciliation Act of 2003, which reduces the federal income tax rates applicable to certain dividends and capital gains realized by individuals. This legislation may lessen the competitive advantage of certain of Allstate Life's products vis-à-vis other investments that generate dividend and/or capital gain income. As a result, demand for certain of Allstate Life's products that offer income tax deferral may be negatively impacted. Additionally, Congress has from time to time considered other legislation that would reduce or eliminate the benefits to policyowners of the deferral of taxation on the accretion of value within certain insurance

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products or otherwise affect the taxation of insurance products and insurance companies. To the extent that the Code is revised to reduce the tax deferred status of insurance products, or to reduce the taxation of competing products, all life insurance companies, including Allstate Life, could be adversely affected.

Each series of notes will be issued by a separate newly created trust formed by Global Funding, the administrator and the Delaware trustee pursuant to the filing of a certificate of trust and the execution of the applicable trust agreement. Global Funding will be the sole beneficial owner of each trust that is formed.

After formation, each trust will not engage in any activity other than:

- making a single issuance of notes;
- immediately acquiring a funding note and immediately surrendering such funding note for cancellation pursuant to its terms in exchange for one or more funding agreement(s);
- acquiring, holding and maintaining the funding agreement(s);
- pledging, assigning as collateral and granting a security interest in the applicable funding agreement(s) to the indenture trustee;
- making payments on the applicable series of notes; and
- engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental to or connected with those activities.

The principal executive offices of the trusts will be located at Allstate Life Global Funding Trusts, c/o: AMACAR Pacific Corp., 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211. The telephone number will be (704) 365-0569. For more information about the trusts, see "Description of Allstate Life Global Funding and the Trusts" in the accompanying prospectus.

#### **ALLSTATE LIFE GLOBAL FUNDING**

Global Funding is a special purpose statutory trust formed under the laws of the State of Delaware, pursuant to the filing of a certificate of trust and the execution of the depositor trust agreement between the administrator and the Delaware trustee. The sole purpose of Global Funding is to facilitate the programs for the issuance of notes.

Global Funding will not engage in any activity other than:

- beneficially owning the trusts;
- issuing one or more funding notes;

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- acquiring one or more funding agreements from Allstate Life;
  - pledging, assigning as collateral and granting a security interest in the applicable funding agreement(s) to the funding note indenture trustee;
  - assigning absolutely the funding agreement(s) to, and depositing such funding agreement(s) into, the trusts; and
  - engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental to or connected with those activities.

The principal executive offices of Global Funding are located at Allstate Life Global Funding, c/o: AMACAR Pacific Corp., 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211. The telephone number is (704) 365-0569. For more information about Global Funding, see "Description of Allstate Life Global Funding and the Trusts" in the accompanying prospectus.

#### **ALLSTATE LIFE INSURANCE COMPANY**

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 ("AIC"), a stock property-liability insurance company incorporated under the laws of the State of Illinois. All of the outstanding stock of AIC 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 2002 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 12,900 exclusive agents and financial specialists in the U.S. and Canada. For more information about Allstate Life, see "Description of Allstate Life Insurance Company" in the accompanying prospectus.

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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#### **DESCRIPTION OF THE NOTES**

This section provides a summary description of the material provisions of the notes. Each series of notes will be issued pursuant to a separate indenture (each, an "indenture") to be entered into between the issuing trust and J.P. Morgan Trust Company, National Association, as indenture trustee (including any successor, the "indenture trustee"). The provisions of the notes are not restated in their entirety and you should read the actual provisions set forth in the standard indenture terms filed as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus form a part because those provisions, and not this description, will define your rights as an owner of an interest in the notes of a series. The terms and conditions of the notes described in this section will apply to each series of notes, except that the specific terms of a series of notes will be added in the applicable pricing supplement and each book-entry note (each, a "note certificate") representing the notes of such series. It is important for you to consider the information contained in this prospectus supplement, the accompanying prospectus, the applicable indenture, the applicable pricing supplement and the note certificates in making your investment decision.



This section describes some technical concepts and occasionally contains defined terms. You should refer to the standard indenture terms and the form of note certificates filed as exhibits to the registration statement to which this prospectus supplement and the accompanying prospectus relate for the full description of those concepts and complete definitions of those terms.

## General

### *Indentures*

Each trust will issue its series of notes subject to and entitled to the benefits of a separate indenture. Each indenture will be subject to, qualified under and governed by, the Trust Indenture Act. The aggregate principal amount of notes that may be authenticated and delivered under each indenture will be unlimited. For a description of the indentures, see "Description of the Indentures" beginning on page of the accompanying prospectus.

### *Collateral*

Pursuant to each indenture, the issuing trust will assign each funding agreement held by it to the indenture trustee on behalf of the holders of the notes issued by such trust. Each series of notes will be secured by a first priority perfected security interest in the "collateral" for such series of notes in favor of the indenture trustee, on behalf of the holders of the notes of such series and the other persons identified in the relevant indentures which will consist of the right, title and interest of the issuing trust in and to:

- the funding agreement(s) held by the issuing trust;
- all proceeds of the relevant funding agreement(s); and

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- all books and records pertaining to the relevant funding agreement(s).

### *Ranking*

The notes of a series will be the unconditional, direct, non-recourse and unsubordinated obligations of the issuing trust and will rank equally among themselves. Each series of notes will be secured by and payable solely out of the assets of the issuing trust, and holders of such series of notes will have no right against the assets of Global Funding or the assets of any other trust.

### *Pricing Supplement*

The pricing supplement relating to the offering of a series of notes will describe the following terms of the notes, including:

- the principal amount of the notes;
- whether the notes are:
  - fixed rate notes,
  - floating rate notes, and/or
  - discount notes that do not bear any interest currently or bear interest at a rate that is below market rates at the time of issuance,
- the price at which the notes will be issued, which will be expressed as a percentage of the aggregate principal amount or face amount;
- the original issue date on which the notes will be issued;
- the stated maturity date;
- if the notes are fixed rate notes, the rate per annum at which the notes will bear any interest and the interest payment date frequency;
- if the notes are floating rate notes, relevant terms such as:
  - the interest rate basis or interest rate bases,
  - the initial interest rate,
  - the interest reset period or the interest reset dates,
  - the interest payment dates,
  - the index maturity,
  - any maximum interest rate,
  - the minimum interest rate,

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- the spread and/or spread multiplier, and
- any other terms relating to the particular method of calculating the interest rate for the notes and whether and how the spread and/or spread multiplier may be changed prior to the stated maturity date;
- whether the authorized representative of the beneficial owner of a beneficial interest in the notes will have the right to seek repayment upon the death of the beneficial owner as described under "—Survivor's Option" on page S-33;
- whether the notes may be redeemed by the issuing trust, or repaid at the option of the holders, prior to the stated maturity date and the terms of their redemption or repayment, provided that any such redemption or repayment will be accompanied by the simultaneous redemption or repayment of the relevant funding agreement(s);
- any special United States federal income tax considerations relating to the purchase, ownership and disposition of the notes; and
- any other terms of the notes provided in the accompanying prospectus to be set forth in a pricing supplement or that are otherwise consistent with the provisions of the indenture under which the notes will be issued.

The pricing supplement also may add, update, supplement or clarify information in this prospectus supplement and the accompanying prospectus.

#### *Pricing Options*

Notes that bear interest will either be fixed rate notes or floating rate notes, or a combination of fixed rate and floating rate, as specified in the applicable pricing supplement. The trusts may also issue discount notes as specified in the applicable pricing supplement.

#### *Maturities*

Each series of notes will mature nine months to 30 years from its date of original issuance. Each series of notes will have the same maturity date as the related funding agreement(s). The principal or any installment of principal may mature prior to the stated maturity date if, for example, there is a declaration of acceleration of maturity, a notice of redemption at the option of the issuing trust or an election to exercise the survivor's option.

#### *Currency*

The notes of each series will be denominated in, and payments of principal, premium, if any, and/or interest, if any, and any other amounts in respect of the notes will be made in, U.S. dollars.

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#### *Form of Notes; Denominations*

The issuing trust will issue each note of a series as a book-entry note represented by one or more fully registered global securities, except as contemplated under "—Book-Entry Notes". Unless otherwise specified in the applicable pricing supplement, the minimum denominations of each note will be \$1,000 and integral multiples of \$1,000 in excess thereof.

#### *Transfers and Exchanges*

Book-entry notes may be transferred or exchanged only through DTC. See "—Book-Entry Notes". No service charge will be imposed for any such registration of transfer or exchange of notes, but the issuing trusts 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*

Unless otherwise specified in the applicable pricing supplement, a series of notes will not be listed on any securities exchange.

### **Payments of Principal and Interest**

The issuing trust will make payments of principal of, and premium, if any, interest on, if any, and other amounts due and owing with respect to, book-entry notes through the indenture trustee to DTC or its nominee. See "—Book-Entry Notes." Payments of principal of, and premium on, if any, interest on, if any, and other amounts due and owing with respect to, definitive notes will be made at maturity in immediately available funds upon presentation and surrender of the definitive note (and, in the case of the exercise of the survivor's option, upon submission of a properly completed election form if required) at the office or agency maintained by the issuing trust for this purpose in the Borough of Manhattan, The City of New York. The issuing trust will make payments of interest, if any, on and any other amounts due and owing with respect to, a definitive note at maturity to the person to whom the issuing trust pays the principal. The issuing trust will make any payments of interest on a definitive note on an interest payment date other than the date of maturity by check mailed to the address of the record date registered holder as it appears in the security register. Notwithstanding the foregoing, the issuing trust will make any payments of interest on an interest payment date other than the date of maturity to each record date registered holder of \$10,000,000 or more in principal amount of definitive notes with the same interest payment date (whether those notes otherwise have identical or different terms and provisions) by wire transfer of immediately available funds if the registered holder has delivered appropriate wire transfer instructions in writing to the indenture trustee not less than 15 days prior to the relevant interest payment date. Any wire transfer instructions received by the indenture trustee shall remain in effect until revoked by the registered holder.

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If any interest payment date or the maturity date of a note falls on a day that is not a business day, the issuing trust will make the required payment on the next business day and no additional interest will accrue for that period. "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.

### **Payments of Principal and Interest**

Notes of a series may bear interest at a fixed interest rate ("fixed rate notes") or at a floating interest rate ("floating rate notes").

### Fixed Rate Notes

Each series of fixed rate notes will bear interest at a fixed rate from and including its date of issue or from and including the most recent interest payment date as to which interest has been paid or made available for payment until the principal is paid or made available for payment. The applicable pricing supplement will specify the fixed interest rate per annum applicable to each note and the frequency with which interest is payable. Interest, including interest for any partial period, will be computed on the basis of a 360-day year of twelve 30-day months. Each payment of interest, including interest to be paid at maturity, will include interest to, but excluding, the date that the interest payment is due.

Interest on notes that bear interest at fixed rates will be payable in arrears on each interest payment date to the registered holder at the close of business on the record date except that interest, if any, due at maturity will be paid to the person to whom the principal of the note is paid. Unless otherwise specified in the applicable pricing supplement, the record date will be the day that is fifteen calendar days preceding the applicable interest payment date, whether or not a business day. Unless otherwise specified in the applicable pricing supplement, the interest payment dates for fixed rate notes will be as follows:

Interest Payment Frequency	Interest Payment Dates
Monthly	Fifteenth day of each calendar month, beginning in the first calendar month following the month the note was issued.
Quarterly	Fifteenth day of every third month, beginning in the third calendar month following the month the note was issued.
Semiannual	Fifteenth day of every sixth month, beginning in the sixth calendar month following the month the note was issued.
Annual	Fifteenth day of every twelfth month, beginning in the twelfth calendar month following the month the note was issued.

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If any interest payment date or the maturity date of a fixed rate note falls on a day that is not a business day, the issuing trust will make the required payment of principal, premium, if any, and/or interest, if any, on the next succeeding business day, and no additional interest will accrue in respect of the payment made on that next succeeding business day.

Interest rates that the issuing trust offers on the fixed rate notes may differ depending upon, among other factors, the aggregate principal amount of notes purchased in any single transaction. Notes with different variable terms other than interest rates may also be offered by other trusts concurrently to different investors. Other trusts may change interest rates or formulas and other terms of notes from time to time, but no change of terms will affect any note any other trust has previously issued or as to which any other trust has accepted an offer to purchase.

### 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 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.

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 interest rate bases applicable to a series of notes that bears interest at floating rates. The "spread multiplier" is the percentage specified in the applicable pricing supplement of the related interest rate basis or interest rate bases applicable to a series of notes

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that bears interest at floating rates by which the interest rate basis or interest rate 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 interest rate bases will be calculated.

Unless a series of floating rate notes is designated as a series of Floating Rate/Fixed 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 notes that bears interest at floating rates 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 interest rate 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, 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 notes that bears interest at floating rates is designated as a series of Floating Rate/Fixed Rate notes, such series of notes that bears interest at floating rates will bear interest at the rate determined by reference to the applicable interest rate basis or interest rate 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.

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#### *Interest Reset Dates*

The applicable pricing supplement will specify the dates on which the rate of interest on a series of notes that bears interest at floating rates 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 applicable 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 notes that bears interest at floating rates as to which the Treasury Rate is an applicable interest rate basis, which will reset the Tuesday of each week;
- monthly—the third Wednesday of each 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates 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 notes that bears interest at floating rates 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, the 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;

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- with respect to LIBOR—the second London banking day preceding the related interest reset date; and
  - with respect to the Treasury Rate—the day of 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 that bears interest at 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 note that bears interest at floating

rates on which each interest reset basis is determinable.

#### *Calculation Dates*

The indenture trustee will be the "calculation agent", unless otherwise specified 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 with respect to LIBOR, 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 notes that bears interest at floating rates 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").

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In addition to any maximum interest rate that may apply to a series of notes that bears interest at floating rates, 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*

Unless otherwise specified in the applicable pricing supplement, interest on each series of notes that bears interest at floating rates will be payable on the date(s) as set forth below (each, an "interest payment date" with respect to such series of notes that bears interest at floating rates). Unless otherwise specified in the applicable pricing supplement, the record date will be the day that is 15 calendar days preceding the applicable interest payment date, whether or not a business day. Unless otherwise specified in the applicable pricing supplement, 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, the trust will make the required payment of principal, premium, if any, and 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.

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 to the nearest cent.

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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 reset 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 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 index 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 index 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 index determination date, of three leading non-bank dealers in negotiable United States dollar certificates of deposit in The City of New York (which may include the Purchasing Agent or its 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

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(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 index determination date.

"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 index 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 index 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 index 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 index 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 index determination date of three leading primary United States government securities dealers in The City of New York (which may include the Purchasing Agent or its 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

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United States Treasury securities with an original maturity equal to the particular index maturity, a remaining term to maturity no more than one 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 index 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 index 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 index 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 index 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 index 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 index determination date falls; or

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(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 index 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 index determination date falls; or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular index 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 index 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 equal to the particular index maturity, a remaining term to maturity no more than one 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 index 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 index 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 index 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

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(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular index 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 index 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 index 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 index 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

(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 index 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 index determination date of three leading dealers of United States dollar commercial paper in The City of New York (which may include the Purchasing Agent or its 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 index determination date.

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"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.

#### *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

(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,

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commencing on the related interest reset date, that appears on the LIBOR page as of 11:00 A.M., London time, on the particular index 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 index determination date; or

(3) if fewer than two offered rates appear, or no rate appears, as the case may be, on the particular index 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 Purchasing Agent) 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 index 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 index determination date by three major banks (which may include affiliates of the Purchasing Agent) 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

(5) if the banks so selected by the calculation agent are not quoting as mentioned in clause (4), LIBOR in effect on the particular index determination date.

"LIBOR currency" means 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

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- 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.

"London banking day" means a day on which commercial banks are open for business (including dealings in the LIBOR currency) in London.

#### *Prime Rate*

"Prime Rate" means:

(1) the rate on the particular index 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 index 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 index 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 index 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 index 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 index determination date by three major banks (which may include affiliates of the Purchasing Agent) 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 index 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 index 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 index 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 index 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 index 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 index determination date, of three primary United States government securities dealers (which may include the Purchasing Agent or its 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 index determination date.

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"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

The trusts may from time to time issue 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

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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".

#### **Withholding Tax; No Payment of Additional Amounts**

All amounts due in respect of the notes of a series 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. An issuing trust will not pay any 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.

#### **Security; Non-Recourse Obligations**

The notes of a series will solely be the obligations of the issuing trust, and will not be guaranteed by any person or entity. The obligations under each series of notes will be secured by all of the rights and title of the issuing trust in one or more funding agreements issued by Allstate Life and other rights and assets included in the applicable collateral held in the issuing trust.

Since Allstate Life will be the sole obligor under the funding agreements, the ability of a trust to meet its obligations, and your ability to receive payments from such trust, 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 issuing 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 the issuing trust, its successors and permitted assignees. In connection with the offering and sale of a series of notes, the issuing trust will pledge, collaterally assign and grant a security interest in the collateral for such series of notes to the indenture trustee on behalf of the holders of the applicable series of notes and the other persons identified in the relevant indenture. 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 and the other persons identified in the relevant indenture.

Nonetheless, since Allstate Life is a registrant, purchasers of notes may be able to proceed directly against Allstate Life to enforce their rights under the Federal securities laws and their rights under the Federal securities laws will be no different than if they purchased the underlying funding agreements directly from Allstate Life.

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#### **Survivor's Option**

The "survivor's option" is a provision in a note pursuant to which the issuing trust agrees to repay that note in whole or in part prior to maturity, if requested, following the death of the beneficial owner of the note, so long as the note was held by the beneficial owner for a period of at least six months prior to the death of the beneficial owner. Unless otherwise specified in the applicable pricing supplement, the estate of the deceased beneficial owner of a note will be eligible to exercise the survivor's option.

Subject to the limitations described below, upon the valid exercise of the survivor's option, the proper tender of that note for repayment and the tender and acceptance of that portion of the funding agreement(s) related to such note, the issuing trust will repay any of its notes pursuant to the survivor's option by or on behalf of a person that has the legal authority to act on behalf of the note's deceased owner. Unless otherwise specified in the applicable pricing supplement, the repurchase price will be 100% of the unpaid principal amount plus accrued interest to, but excluding, the date of repayment.

Unless otherwise set forth in the applicable pricing supplement for your series of notes, the funding agreement(s) securing your series of notes will contain a provision which will allow the issuing trust to tender the funding agreement(s) in whole or in part to Allstate Life. An issuing trust's ability to tender the funding agreement(s) related to a series of notes that contain a survivor's option will be subject to certain limitations set by Allstate Life. As a result, your right to exercise the survivor's option is subject to limits set by Allstate Life with respect to the relevant funding agreement(s). Allstate Life has the discretionary right to limit the aggregate principal amount of:

- all funding agreements securing all outstanding series of notes issued under the Allstate Life<sup>SM</sup> CoreNotes® program as to which exercises of any put option by any issuing trust shall be accepted by Allstate Life in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the aggregate principal amount of all funding agreements securing all outstanding series of notes issued under the Allstate Life<sup>SM</sup> CoreNotes® program as of the end of the most recent calendar year or such other greater amount as determined in accordance with the applicable funding agreement(s) and set forth in the applicable pricing supplement;
- the funding agreement(s) securing the notes as to which exercises of any put option by the applicable trust attributable to notes as to which the survivor's option has been exercised by the authorized representative of any individual deceased beneficial owner to \$250,000 in any calendar year or such other greater amount as determined in accordance with the applicable funding agreement(s) and set forth in the applicable pricing supplement; and
- the funding agreement(s) securing a series of notes as to which exercises of any put option by the applicable trust shall be accepted in any calendar year to an amount as set forth in the applicable funding agreement(s) and the applicable pricing supplement.

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In any such event, each trust shall similarly be required to limit the aggregate principal amount of notes as to which exercises of the survivor's option shall be accepted by it.

In addition, the exercise of the survivor's option will not be permitted for a principal amount less than \$1,000 or if such exercise will result in a note with a principal amount of less than \$1,000 to remain outstanding. All other questions, other than with respect to the right to limit the aggregate principal amount of notes subject to the survivor's option that will be accepted as to any series of notes or in any calendar year, regarding the eligibility or validity of any exercise of the survivor's option will be determined by the administrator of the issuing trust, in its sole discretion, which determination will be final and binding on all parties. The indenture trustee, upon written request by the authorized representative of the deceased beneficial owner of notes, will request the administrator to provide the status of the remaining program and series limitations for such calendar year on the exercise of any survivor's option.

The issuing trust will accept elections to exercise the survivor's option in the order received by the administrator of the issuing trust. Notes that are not repaid in any calendar year due to the application of the limits described above will be treated as though they had been tendered on the first day of the following calendar year in the order in which they were originally tendered. Subject to the limitations described above, notes accepted for repayment will be repaid on the first interest payment date that occurs 20 or more calendar days after the date of acceptance.

If repayment of a note submitted for repayment pursuant to a valid exercise of the survivor's option is not accepted or is to be delayed, the administrator of the issuing trust will deliver a written notice by first-class mail to the depository that states the reason that repayment of that particular note has not been accepted or will be delayed.

A valid exercise of the survivor's option may not be withdrawn.

To exercise the survivor's option with respect to a book-entry note, the deceased owner's authorized person must provide the following items to the DTC "participant" through which the relevant beneficial interest is owned (for a discussion of DTC and its participants, see "—About the Depository"):

- a written instruction to the participant to notify DTC of the authorized person's desire to obtain a payment pursuant to the exercise of the survivor's option;
- appropriate evidence (a) that the person has authority to act on behalf of the deceased owner, (b) of the death of the beneficial owner, (c) that the deceased was the beneficial owner of the notes at the time of death and (d) that the beneficial owner acquired the interest in the note at least six months prior to the date of death of such beneficial owner;
- if the beneficial interest in the relevant note is held by a nominee of the deceased owner, a certificate from the nominee attesting to the deceased owner's ownership of a beneficial interest in that note;

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- a written request for repayment signed by the authorized person for the deceased owner with signature guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States;
  - if applicable, a properly executed assignment or endorsement;
  - tax waivers and any other instruments or documents reasonably required to establish the validity of the ownership of the beneficial interest in the related note and the claimant's entitlement to payment; and
  - any additional information reasonably required to document the ownership or authority to exercise the survivor's option and to cause the repayment of the related note.

In turn, on the basis of this information, the participant will be required to deliver to the indenture trustee a properly completed repayment election form to exercise the survivor's option, together with evidence satisfactory to the indenture trustee from the participant stating that it represents the deceased owner of the beneficial interest in the relevant note. The indenture trustee will then deliver these items to the administrator of the issuing trust and will provide the administrator of the issuing trust with any additional information (after receipt from the participant) the administrator may request in connection with such exercise.

Apart from Allstate Life's discretionary right to limit the principal amount of funding agreements securing notes as to which exercises of any put option by the issuing trusts attributable to notes to which the survivor's option may be exercised in any calendar year as described above, the administrator will determine all other questions regarding the eligibility or validity of any exercise of the survivor's option. The administrator's determination will be final and binding on all parties.

The death of a person owning a note in joint tenancy or tenancy by the entirety with another or others will be treated as the death of the owner of that note, and the entire principal amount so owned will be eligible for repayment.

The death of a person owning a note by tenancy in common will be treated as the death of the owner of that note only with respect to the deceased owner's interest in the note held by tenancy in common. However, if a note is held by husband and wife as tenants in common, the death of either spouse will be treated as the death of the owner of the note and the entire principal amount so owned will be eligible for repayment.

The death of a person who was a lifetime beneficiary of a trust that owns a note will be treated as the death of the owner of the note to the extent of that person's interest in the trust. The death of a person who was a tenant by the entirety or joint tenant in a tenancy which is the beneficiary of a trust that owns a note will be treated as the death of the owner of the note. The death of an individual who was a tenant in common in a tenancy which is the beneficiary of a trust that owns a note will be treated as the death of the owner of the note only with respect to

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the deceased person's beneficial interest in the note, unless a husband and wife are the tenants in common, in which case the death of either will be treated as the death of the owner of the note.

The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interests of ownership of a note will be treated as the death of the owner of the note if the beneficial interest can be established to the administrator's satisfaction. This will be done in typical cases of nominee ownership, such as ownership under the Uniform Transfers of Gifts to Minors Act, community property or other joint ownership arrangements between a husband and wife and lifetime custodial and trust arrangements.

The applicable participant will be responsible for disbursing payments received from the indenture trustee to the authorized person for the deceased owner.

Annex A to this prospectus supplement is the repayment election form for use by DTC participants in exercising the survivor's option. Copies of this form may be obtained from the administrator at AMACAR Pacific Corp., 6525 Morrison Blvd., Suite 318, Charlotte, NC 28211 (telephone (704) 365-0569, facsimile (704) 365-1632).

### **Redemption, Repayment and Repurchase of Notes**

Unless otherwise specified in the applicable pricing supplement, the notes of a series will not be redeemable, except at the applicable maturity date, when all notes of such series will be redeemed.

#### *Optional Redemption by the Issuer; No Sinking Fund*

If an initial redemption date is specified in the applicable pricing supplement and provided for in the applicable funding agreement(s), the issuing trust may redeem the particular series of notes prior to its stated maturity date at its 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. "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 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 applicable pricing supplement.

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The applicable pricing supplement may provide that the notes of a series may be redeemed by the issuing trust and the terms of such redemption. If so specified, the issuing trust will give a notice of redemption to each holder of the notes to be redeemed not less than 30 days nor more than 60 days prior to the date fixed for redemption.

If the notes of a series may be redeemed by the issuing trust when more than 20% of the principal of such notes is outstanding, the notes will be designated as "callable" notes in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, such series of notes will otherwise be subject to the redemption provisions described above.

#### *Repayment at Option of Holder*

Except for the survivor's option, the notes of a series will not provide any holder with the option to have the issuing trust repay the note on a date or dates specified prior to its maturity date. If the applicable pricing supplement specifies that a particular series of notes will have a survivor's option, the relevant funding agreement will provide for such pre-payment of amounts due under the notes.

#### *Repurchase of Notes*

Each trust may purchase some or all notes of a series issued by such trust in the open market or otherwise at any time, and from time to time, with the prior written consent of Allstate Life as to both the making of such purchase and the purchase price to be paid for such notes. If Allstate Life, in its sole discretion, consents to such purchase of notes by the issuing trust, then such trust, the indenture trustee and Allstate Life will be obligated to take such actions as may be necessary or desirable to effect the prepayment of such portion, or the entirety, of the current Principal Amount (as defined in the applicable funding agreement) under each applicable funding agreement as may be necessary to provide for the payment of the purchase price for such notes. Upon such payment, the Principal Amount under each funding agreement shall be reduced by an amount equal to the aggregate principal amount of the notes as purchased (or the portion thereof applicable to such funding agreement).

### **Other/Additional Provisions; Addendum**

Any provisions with respect to the notes of a series, including the specification and determination of one or more interest rate bases, the calculation of the interest rate applicable to a series of notes that bears interest at floating rates, the interest payment dates, the stated maturity date, any redemption or repayment provisions or any other term relating to the applicable series of notes, may be modified and/or supplemented as specified under "Other/Additional Provisions" on the face thereof or in an addendum relating thereto, if so specified on the face thereof and, in each case, described in the applicable pricing supplement.

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### **Book-Entry Notes**

Each trust will establish a depository arrangement with the DTC with respect to the book-entry notes, the terms of which are summarized below.

All book-entry notes having the same terms will be represented by one or more global securities. Each global security will be deposited with, or on behalf of, DTC and will be registered in the name of DTC or its nominee. No global security may be transferred or exchanged except by DTC or a nominee of DTC to DTC or to another nominee of DTC, or by DTC or another nominee of DTC to a successor of DTC or a nominee of a successor to DTC. So long as DTC or its nominee is the registered holder of a global security, DTC or its nominee will be the sole owner of the related book-entry notes for all purposes under the indenture. Except as otherwise provided below, the beneficial owners of the book-entry notes will not be entitled to receive definitive notes and will not be considered the registered holders of the book-entry notes for any purpose under the indenture and no global security representing book-entry notes will be exchangeable or transferable. As a result, to exercise any rights of a registered holder under the indenture a beneficial owner must rely on the procedures of DTC and, if the beneficial owner is not a participant, on the procedures of the participant or participants through which the beneficial owner owns its interest. The laws of some jurisdictions require that some purchasers of securities take physical delivery of securities in definitive form. These laws may limit the ability to transfer beneficial interests in book-entry notes.

Each global security representing book-entry notes will be exchangeable for definitive notes only if:

- the issuing trust notifies the indenture trustee that it wishes to terminate that global security;

- an event of default on the notes of that series has occurred and not been cured; or
- DTC notifies the issuing trust that it is unwilling or unable to continue as a clearing system for the global securities, or it ceases to be a clearing agency registered under the Exchange Act and, in either case, a successor clearing system is not appointed by the issuing trust within 60 days after receiving the notice from DTC or becoming aware that DTC is no longer registered.

If any of these events occurs, the issuing trust will print and deliver definitive notes. Definitive notes issued under these circumstances will be registered in the names of the beneficial owners of the related global securities as provided to the indenture trustee by the participants identified by DTC.

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## About the Depository

The following is based on information furnished by DTC:

DTC will act as securities depository for the book-entry notes. The book-entry notes will be issued as fully registered securities in the name of Cede & Co. (DTC's nominee) or another name requested by DTC. One fully registered global security will be issued for each issue of book-entry notes in the aggregate principal amount of that issue and will be deposited with, or on behalf of, DTC. If the aggregate principal amount of any issue exceeds DTC's limit for a single global security, then the global securities will be issued in the form of one or more global securities having a principal amount equal to DTC's limit and an additional global security representing any remaining principal amount.

DTC 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. DTC holds securities that its direct participants deposit with it. DTC also facilitates the settlement among direct participants of transactions in deposited securities, such as transfers and pledges, through electronic computerized book-entry changes in direct participants' accounts. This eliminates the need for physical movement of securities certificates. DTC's direct participants include securities brokers and dealers (including the Purchasing Agent), banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC and NASD. Access to DTC'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. The rules applicable to DTC and its direct and indirect participants are on file with the SEC.

Under DTC's system, purchases of book-entry notes must be made by or through direct participants, which will receive a credit for the book-entry notes on DTC's records. The ownership interest of the actual purchaser is in turn recorded on the records of the direct and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchase, but are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which they entered into the transaction. Transfers of ownership interests in book-entry notes are accomplished by entries made on the books of the direct and indirect participants acting on behalf of the beneficial owners. Beneficial owners will not receive definitive notes unless use of the book-entry system is discontinued as described above.

To facilitate subsequent transfers, all global securities representing the book-entry notes deposited with, or on behalf of, DTC will be registered in the name of DTC's nominee, Cede & Co., or any other name that DTC requests. The deposit of global securities with, or on behalf of,

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DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the book-entry notes; DTC's records reflect only the identity of the direct participants to whose accounts the book-entry notes are credited, which may or may not be the beneficial owners. DTC's participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications from DTC to direct participants, from direct participants to indirect participants and from direct participants and indirect participants to beneficial owners are governed by arrangements among them and are subject to statutory and regulatory requirements.

Neither DTC nor Cede & Co. will consent or vote with respect to global securities. Under its usual procedures, DTC mails an omnibus proxy to a company as soon as possible after a 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 record date (identified in a listing attached to the omnibus proxy).

The issuing trust will make payments on the global securities in immediately available funds to Cede & Co. or any other nominee named by DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners are governed by standing instructions and customary practices and are subject to statutory and regulatory requirements. The issuing trust and the trustee are responsible only for making payments to DTC, DTC is responsible for disbursing those payments to its direct participants and the direct participants (and any indirect participants) are solely responsible for disbursing those payments to the beneficial owners.

Any redemption notices will be sent to Cede & Co. If less than all of the book-entry notes having the same terms are being redeemed, DTC's current practice is to determine by lot the amount of the interest of each direct participant in those notes to be redeemed.

A beneficial owner must give notice of any election to have its book-entry notes repaid through its participant to the trustee. Delivery of the book-entry notes will be effected by causing the relevant direct participant to transfer the relevant part of its interest in the global securities to the trustee on DTC's records.

DTC may discontinue providing its services as securities depository with respect to a series of notes at any time by giving reasonable notice to the issuing trust or the indenture trustee. If the issuing trust does not obtain a successor securities depository, it will print and deliver definitive notes of such series.

The issuing trust may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). If the issuing trust does so, it will print and deliver definitive notes.

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## DESCRIPTION OF THE FUNDING AGREEMENTS

Each trust will use the net proceeds from the issuance of its series of notes to the public to purchase from Global Funding one or more funding agreements issued by Allstate Life. The funding agreement(s) will have a principal amount equal to the principal amount of the related series of notes. The funding agreement(s) will otherwise have payment and other terms substantially similar to the related series of notes. The funding agreement(s) may be interest bearing or non-interest bearing and, if interest bearing, may bear interest at fixed or floating rates. The calculation of the interest rate, the due dates for payments and other payment terms on the funding agreement will be determined in the manner substantially similar to that described above under "Description of the Notes". An amount equal to the principal amount of the funding agreement plus accrued but unpaid interest, if any, and accrued discount, if any (in the case of a discount funding agreement) will be payable on its maturity date, as specified in the applicable pricing supplement.

The funding agreement(s) will have a principal amount equal to the principal amount of the related series of notes. The funding agreement(s) will otherwise have payment and other terms substantially similar to the related series of notes. For a more detailed discussion of the funding agreements, see "Description of the Funding Agreement" in the accompanying prospectus.

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

This section provides a discussion of the material 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. This summary does not consider the United States Federal income tax consequences of the purchase, ownership or disposition of a note by a partnership. If a partnership holds a note, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding a note, and partners in a partnership holding a note, should consult their tax advisors.

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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 (including an entity treated as a corporation 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;
- 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 an individual, a corporation, an estate or trust that is not a U.S. Holder.

### Classification of the Issuer and Notes

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

- Global Funding and each 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, Global Funding and each trust agree, and each holder and beneficial owner of notes by purchasing the notes agrees, for all United States Federal, state and local income and franchise tax purposes (i) to treat the notes as indebtedness of Allstate Life, (ii) Global Funding and each trust will be ignored and will not be treated as an association or a publicly traded partnership taxable as a corporation and (iii) to not take any action inconsistent with the treatment described in (i) and (ii) unless otherwise required by law. 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 IRS. The IRS might assert that each trust should be treated as a separate grantor trust for United States Federal income tax purposes, in which case the holders of beneficial interests in the notes related to such trust would be treated as owning a pro rata undivided interest in the assets of such trust. In such a case, the tax consequences to beneficial owners of the notes would not be

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materially different than those described herein. 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

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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 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

Floating rate notes are subject to special rules whereby a floating rate note will qualify as a "variable rate debt instrument" if:

- its issue price does not exceed the total noncontingent principal payments due under the floating rate 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 rate or a single objective rate; and

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- 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 floating rate 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 floating rate note (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the floating rate 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 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). In addition, if a floating rate 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 floating rate 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 floating rate 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 floating rate 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 floating rate 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 floating rate note is determined under the rules

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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, the value, as of the issue date, of the qualified floating rate; or
- in the case of an objective rate, a fixed rate that reflects the yield that is reasonably expected for the floating rate 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 floating rate 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 floating rate note. A floating rate note is converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate provided for under the terms of the floating rate note with a fixed rate equal to the value of the qualified floating rate as of the floating rate note's issue date. Any objective rate provided for under the terms of the floating rate note is converted into a fixed rate that reflects the yield that is reasonably expected for the floating rate note. In the case of a floating rate 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. Under such circumstances, the qualified floating rate that replaces the fixed rate must be such that the fair market value of the floating rate note as of the floating rate 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 rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the floating rate note is then converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the floating rate 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 floating rate 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 floating rate note during the accrual period.

If the floating rate note does not qualify as a "variable rate debt instrument" then the floating rate 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

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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 the trusts 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 floating rate 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 the option of the issuing trust 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.

#### 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

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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

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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.

#### *Premium*

If a U.S. Holder purchases a note for an amount that is greater than its stated redemption price at maturity, such U.S. Holder will generally 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*

Upon the sale, exchange, redemption, retirement or other disposition 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, redemption, retirement or other disposition (other than amounts representing accrued and unpaid interest, which will constitute ordinary income) 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 amounts of any payments, other than qualified stated interest payments, received and the amortizable bond premium taken into account 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.

If a U.S. Holder disposes of only a portion of a note pursuant to a partial redemption or partial repayment (e.g., pursuant to the survivor's option, if applicable), such disposition will be treated as a redemption or repayment of a portion of a debt instrument. The resulting gain or loss would be calculated by assuming that the original note being tendered consists of two instruments, one that is retired (or repaid), and one that remains outstanding. The adjusted issue price, the U.S. Holder's adjusted basis, and the accrued but unpaid OID of the original note, if

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any, determined immediately before the disposition, would be allocated between these two instruments based on the portion of the instrument that is treated as retired by the redemption or repayment.

#### **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:

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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 States 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

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- 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, retirement or other 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
- 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 28% 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 28% of the entire purchase price, unless either the broker determines that the seller is a corporation or

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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

The notes of a series will be offered to or through Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Purchasing Agent, pursuant to a terms agreement among Global Funding, the issuing trust and the Purchasing Agent (each, a "terms agreement") and the distribution agreement between Global Funding and the Agents named therein, dated as of \_\_\_\_\_, 2004 (the "distribution agreement"). Each terms agreement will incorporate by reference the terms of the distribution agreement. The Purchasing Agent may purchase notes, as principal, from a trust for resale to investors at a fixed offering price or at varying prices relating to prevailing market prices at the time of resale as determined by the Purchasing Agent. The issuing trust may agree with the Purchasing Agent that the Purchasing Agent will utilize its reasonable efforts on an agency basis on its behalf to solicit offers to purchase notes of the applicable series at 100% of the principal amount thereof, unless otherwise specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, each trust will pay a commission to the Purchasing Agent, ranging from .125% to 2.50% of the principal amount of each applicable note, depending upon its stated maturity, for each note purchased from the issuing trust by the Purchasing Agent as its agent. The notes may be sold in the United States to retail, institutional and other investors.

Subject to the terms of the applicable terms agreement and the distribution agreement, concurrently with any offering of a series of notes by a trust as described in this prospectus supplement, the issuing trust and the other trusts may issue other notes under this program or the related secured medium term note program.

Unless otherwise specified in the applicable pricing supplement, any note sold to the Purchasing Agent as principal will be purchased by the Purchasing 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. The Purchasing Agent may sell notes it has purchased from a trust as principal to other NASD dealers in good standing at a concession. Unless otherwise specified in the applicable pricing supplement, the concession allowed to any dealer will not, during the distribution of the notes of a series, be in excess of the concession the Purchasing Agent will receive from the issuing trust. After the initial offering of notes of a series, the offering price, the concession and any reallocation may be changed.

The offer made hereby may be modified without notice, and each trust may reject offers in whole or in part (whether placed directly by an issuing trust or through the Purchasing Agent). The Purchasing 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 United States dollars in The City of New York on the date of settlement.

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Upon issuance, the notes of a series will not have an established trading market. There can be no assurance that a trading market for your notes will ever develop or be maintained if developed. Unless otherwise specified in the applicable pricing supplement, a series of notes will not be listed on any securities exchange. The Purchasing Agent may from time to time purchase and sell notes in the secondary market, but the Purchasing Agent is not obligated to do so. 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 Purchasing Agent may make a market in the notes, but the Purchasing Agent is not obligated to do so and may discontinue any market-making activity at any time.

In connection with an offering of notes purchased by the Purchasing Agent as principal on a fixed offering price basis, the Purchasing Agent 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 the Purchasing Agent creates a short position in notes (*i.e.*, if it sells notes in an amount exceeding the amount specified 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 Global Funding and the trusts nor the Purchasing Agent make 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 Global Funding and the trusts nor the Purchasing Agent make any representation that the Purchasing Agent will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Purchasing Agent will be an "underwriter," with respect to the notes being distributed by it and the funding agreements being purchased by the issuing trust, and any discounts or commissions received by it on the sale or resale of notes may be deemed to be underwriting discounts and commissions under the Securities Act. The Purchasing Agent may be entitled under agreements entered into with a trust, Global Funding and Allstate Life to indemnification against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that the Purchasing Agent may be required to make in respect of such liabilities.

Global Funding is a statutory issuer of the notes and the funding notes under the Securities Act, and Allstate Life is a statutory issuer of the funding agreements under the Securities Act.

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

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Broker-dealers and securities firms have executed dealer agreements with the Purchasing Agent and have agreed to market and sell the notes in accordance with the terms of those agreements and applicable laws and regulations.

The issuing trusts may sell other securities referred to in the accompanying prospectus, and the amount of notes offered by this prospectus supplement may be reduced as a result of those sales.

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**Allstate Life Global Funding**

**Allstate Life<sup>SM</sup> CoreNotes®**

**Cusip Number**

To: [Name of trust]

The undersigned financial institution (the "Financial Institution") represents the following:

- The Financial Institution has received a request for repayment from the executor or other authorized representative (the "Authorized Representative") of the deceased beneficial owner listed below (the "Deceased Beneficial Owner") of Allstate Life<sup>SM</sup> CoreNotes® (CUSIP No. \_\_\_\_\_) (the "Notes").
- At the time of his or her death, the Deceased Beneficial Owner owned Notes in the principal amount listed below.
- The Deceased Beneficial Owner acquired the Notes at least six (6) months before the date of death of such Deceased Beneficial Owner.
- The Financial Institution currently holds such Notes as a direct or indirect participant in The Depository Trust Company (the "Depository").

The Financial Institution agrees to the following terms:

- The Financial Institution shall follow the instructions (the "Instructions") accompanying this Repayment Election Form (this "Form").
- The Financial Institution shall make all records specified in the Instructions supporting the above representations available to J.P. Morgan Trust Company, National Association (the "Trustee") or [Name of trust] (the "Trust") for inspection and review within five Business Days of the Trustee's or the Trust's request.
- If the Financial Institution, the Trustee or the Trust, in any such party's reasonable discretion, deems any of the records specified in the Instructions supporting the above representations unsatisfactory to substantiate a claim for repayment, the Financial Institution shall not be obligated to submit this Form, and the Trustee or Trust may deny repayment. If the Financial Institution cannot substantiate a claim for repayment, it shall notify the Trustee immediately.
- Repayment elections may not be withdrawn.

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- The Financial Institution agrees to indemnify and hold harmless the Trustee and the Trust against and from any and all claims, liabilities, costs, losses, expenses, suits and damages resulting from the Financial Institution's above representations and request for repayment on behalf of the Authorized Representative.
  - The Notes will be repaid on the first Interest Payment Date to occur at least 20 calendar days after the date of acceptance of the Notes for repayment, unless such date is not a business day, in which case the date of repayment shall be the next succeeding business day.
  - Subject to the Trust's rights to limit the aggregate principal amount of Notes as to which exercises of the survivor's option shall be accepted in any one calendar year, all questions as to the eligibility or validity of any exercise of the survivor's option will be determined by the Trustee, in its sole discretion, which determination shall be final and binding on all parties.

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**REPAYMENT ELECTION FORM**

(1)

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Name of Deceased Beneficial Owner

(2)

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Date of Death

(3)

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Name of Authorized Representative Requesting Repayment

(4)

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Name of Financial Institution Requesting Repayment

(5)

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Signature of Authorized Representative of Financial Institution Requesting Repayment

(6)

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Principal Amount of Requested Repayment

(7)

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Date of Election

(8) Financial Institution Representative Name:  
Phone Number:  
Fax Number:  
Mailing Address (no P.O. Boxes):

(9) Wire instructions for payment:  
Bank Name:  
ABA Number:  
Account Name:  
Account Number:  
Reference (optional):

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**TO BE COMPLETED BY THE TRUSTEE:**

- (A) **Election Number\*:**
  - (B) **Delivery and Payment Date:**
  - (C) **Principal Amount:**
  - (D) **Accrued Interest:**
  - (E) **Date of Receipt of Form by the Trustee:**
  - (F) **Date of Acknowledgment by the Trustee:**
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\* To be assigned by the Trustee upon receipt of this Form. An acknowledgement, in the form of a copy of this document with the assigned Election Number, will be returned to the party and location designated in item (8) above.

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**INSTRUCTIONS FOR COMPLETING REPAYMENT ELECTION FORM AND EXERCISING  
REPAYMENT OPTION**

Capitalized terms used and not defined herein have the meanings defined in the accompanying Repayment Election Form.

1. Collect and retain for a period of at least three years (1) satisfactory evidence of the authority of the Authorized Representative, (2) satisfactory evidence of death of the Deceased Beneficial Owner, (3) satisfactory evidence that the Deceased Beneficial Owner beneficially owned, at the time of his or her death, the Notes being submitted for repayment, (4) satisfactory evidence that the Notes being submitted for repayment was acquired by the Deceased Beneficial Owner at least six (6) months before the date of the death of such Deceased Beneficial Owner, and (5) any necessary tax waivers. For purposes of determining whether the Notes will be deemed beneficially owned by an individual at any given time, the following rules shall apply:

- If a Note (or a portion thereof) is beneficially owned by tenants by the entirety or joint tenants, the Note (or relevant portion thereof) will be regarded as beneficially owned by a single owner. Accordingly, the death of a tenant by the entirety or joint tenant will be deemed the death of the beneficial owner and the entire principal amount so owned will become eligible for repayment.
- The death of a person beneficially owning a Note (or a portion thereof) by tenancy in common will be deemed the death of the beneficial owner only with respect to the deceased owner's interest in the Note (or relevant portion thereof) so owned, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficial owner and the entire principal amount so owned will be eligible for repayment.
- A Note (or a portion thereof) beneficially owned by a trust will be regarded as beneficially owned by each beneficiary of the trust to the extent of that beneficiary's interest in the trust (however, a trust's beneficiaries collectively cannot be beneficial owners of more Notes than are owned by the trust). The death of a beneficiary of a trust will be deemed the death of the beneficial owner of the Notes (or relevant portion thereof) beneficially owned by the trust to the extent of that beneficiary's interest in the trust. The death of an individual who was a tenant by the entirety or joint tenant in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust. The death of an individual who was a tenant in common in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust only with respect to the deceased holder's beneficial interest in the Note, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficiary of the trust.

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- The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interest in a Note (or a portion thereof) will be deemed the death of the beneficial owner of that Note (or relevant portion thereof), regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of the Trustee. Such beneficial interest will exist in many cases of street name or nominee ownership,

custodial arrangements, ownership by a trustee, ownership under the Uniform Transfers of Gifts to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will be evidenced by such factors as the power to sell or otherwise dispose of a Note, the right to receive the proceeds of sale or disposition and the right to receive interest and principal payments on a Note.

2. Indicate the name of the Deceased Beneficial Owner on line (1).
3. Indicate the date of death of the Deceased Beneficial Owner on line (2).
4. Indicate the name of the Authorized Representative requesting repayment on line (3).
5. Indicate the name of the Financial Institution requesting repayment on line (4).
6. Affix the authorized signature of the Financial Institution's representative on line (5). THE SIGNATURE MUST BE MEDALLION SIGNATURE GUARANTEED.
7. Indicate the principal amount of Notes to be repaid on line (6).
8. Indicate the date this Form was completed on line (7).
9. Indicate the name, mailing address (no P.O. boxes, please), telephone number and facsimile-transmission number of the party to whom the acknowledgment of this election may be sent in item (8).
10. Indicate the wire instruction for payment on line (9).
11. Leave lines (A), (B), (C), (D), (E) and (F) blank.
12. Mail or otherwise deliver an original copy of the completed Form to:

J.P. Morgan Trust Company, National Association  
2001 Bryan Street, 9th Floor  
Dallas, TX 75201  
Attention: Institutional Trust Services

FACSIMILE TRANSMISSIONS OF THE REPAYMENT ELECTION FORM WILL NOT BE ACCEPTED.

13. If the acknowledgement of the Trustee's receipt of this Form, including the assigned Election Number, is not received within 10 days of the date such information is sent to the Trustee, contact the Trustee at J.P. Morgan Trust Company, National Association, 201 North Central Avenue, Phoenix, AZ 85004.

For assistance with this Form or any questions relating thereto, please contact the Trustee at J.P. Morgan Trust Company, National Association, 201 North Central Avenue, Phoenix, AZ 85004.

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**\$4,000,000,000**

**Allstate Life Global Funding  
Depositor**

**Allstate Life<sup>SM</sup> CoreNotes®**

**Due Between Nine Months and 30 Years From the Date of Issue**

**Issued Through  
Allstate Life Global Funding Trusts**

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**PROSPECTUS SUPPLEMENT**

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**Merrill Lynch & Co.**

, 2004

"Allstate Life<sup>SM</sup>" is a service mark of Allstate Insurance Company.

"CoreNotes®" is a registered service mark of Merrill Lynch & Co., Inc.

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The information in this prospectus is not complete and may be changed. Neither the depositor nor the trusts may 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 \_\_\_\_\_, 2004

## PROSPECTUS

**\$4,000,000,000**  
**Allstate Life Global Funding**  
**Depositor**  
**Secured Medium Term Notes**  
**Allstate Life<sup>SM</sup> CoreNotes®**  
**Issued Through**  
**Allstate Life Global Funding Trusts**

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Allstate Life Global Funding (the "depositor" or "Global Funding") is a statutory trust formed under the laws of the State of Delaware. Its sole purpose is to facilitate the programs for the issuance of one or more series of secured medium term notes, which are referred to in this prospectus as "notes". Each series of notes will be issued by a separate newly created Delaware statutory trust (each, a "trust"). Global Funding will be the sole beneficial owner of each trust that is formed. The notes may have an aggregate principal amount of up to \$4,000,000,000 or the equivalent amount in one or more foreign or composite currencies.

In connection with the issuance of a series of notes, the issuing trust will acquire one or more funding agreements issued by Allstate Life Insurance Company ("Allstate Life"). The notes of a series will be secured by the right, title and interest of the issuing trust in and to (1) the funding agreement(s) held by that trust, (2) all proceeds of such funding agreement(s) and (3) all books and records pertaining to such funding agreement(s).

The notes of a series will be the unconditional, direct, non-recourse, secured and unsubordinated obligations of the issuing trust and will rank equally among themselves. Each series of notes will be secured by and payable solely out of the assets of the issuing trust, and holders of such series of notes will have no rights against the assets of Global Funding or the assets of any other trust.

The notes of a series may be listed on a securities exchange. The notes may be sold to institutional, retail, United States, foreign and other investors.

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Neither the Securities and Exchange Commission, any state securities commission nor any state insurance commission has approved or disapproved of these securities or determined if this prospectus, any prospectus supplement or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The trusts may sell the secured medium term notes referred to herein to one or more of the agents referred to below (collectively, the "Agents") as principals for resale at varying or fixed offering prices or through the applicable Agent(s) as agents using their reasonable efforts on behalf of each issuing trust. The trusts may also sell secured medium term notes directly to investors without the assistance of any Agent. Unless otherwise specified in the applicable pricing supplement, any secured medium term 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. Unless otherwise specified in the applicable pricing supplement, each trust will pay a commission to an Agent, ranging from .150% to .875% of the principal amount of each secured medium term note, depending upon its stated maturity, sold through that Agent as its agent.

Each trust may sell its Allstate Life<sup>SM</sup> CoreNotes® to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Purchasing Agent") as principal for resale at a fixed offering price specified in the applicable pricing supplement or at varying prices. Each trust may also explicitly agree with the Purchasing Agent that it will use its reasonable efforts as agent on behalf of the issuing trust to solicit offers to purchase Allstate Life<sup>SM</sup> CoreNotes® of the applicable series from that trust at 100% of the principal amount thereof, unless otherwise specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, any Allstate Life<sup>SM</sup> CoreNotes® sold to the Purchasing Agent as principal will be purchased by the Purchasing 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. Unless otherwise specified in the applicable pricing supplement, each trust will pay a commission to the Purchasing Agent, ranging from .125% to 2.50% of the principal amount of each applicable Allstate Life<sup>SM</sup> CoreNotes®, depending upon its stated maturity, for each Allstate Life<sup>SM</sup> CoreNotes® purchased from the issuing trust by the Purchasing Agent as its agent.

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The date of this prospectus is \_\_\_\_\_, 2004.

"Allstate Life<sup>SM</sup>" is a service mark of Allstate Insurance Company.

"CoreNotes®" is a registered service mark of Merrill Lynch & Co., Inc.

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## FORWARD-LOOKING STATEMENTS

### Allstate Life

This prospectus, the applicable accompanying prospectus supplement and each applicable pricing supplement may include forward-looking statements of Allstate Life. These forward-looking statements are not statements of historical fact but rather reflect 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 Allstate Life or its management. When Allstate Life makes forward-looking statements, Allstate Life is basing them on its management's beliefs and assumptions, using information currently available to Allstate Life. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this prospectus supplement, the accompanying prospectus and in each applicable pricing supplement. Factors that can cause or contribute to these differences include those described under the heading "Risk Factors" in this prospectus supplement. Allstate Life undertakes 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 Allstate Life's underlying assumptions prove to be incorrect, actual results may vary materially from what Allstate Life projected. Any forward-looking statements of Allstate Life you read in this prospectus, the applicable accompanying prospectus supplement or the

applicable pricing supplement reflect Allstate Life's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to Allstate Life's operations, results of operations, growth strategy and liquidity. All subsequent written and oral forward-looking statements attributable to Allstate Life or individuals acting on Allstate Life's behalf are expressly qualified in their entirety by this section. You should specifically consider the factors identified in this prospectus supplement, the accompanying prospectus and each applicable pricing supplement which could cause actual results to differ before making an investment decision.

## **Global Funding and the Trusts**

This prospectus, the accompanying prospectus supplement and each applicable pricing supplement may include forward-looking statements of Global Funding and the trusts. These forward-looking statements are subject to risks, uncertainties and assumptions, including but not limited to, risks, uncertainties and assumptions discussed in this prospectus, the accompanying prospectus supplement and in each applicable pricing supplement. Global Funding does not, and the trusts will not, undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You should specifically consider the factors identified in this prospectus, the accompanying prospectus supplement and each applicable pricing supplement before making an investment decision. Global Funding and the issuing trusts are not currently entitled to the safe harbors contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Therefore, forward-looking statements of Global Funding and the issuing trusts in this prospectus and the accompanying prospectus supplement are not currently and will never be entitled to these safe harbors.

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## **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement filed by Global Funding and Allstate Life (the "registrants") with the Securities and Exchange Commission (the "SEC"). Pursuant to the registration statement, the trusts will be offering, from time to time, up to a total amount of \$4,000,000,000 in aggregate principal amount of the notes or the equivalent amount in one or more foreign currencies described in this prospectus. This prospectus provides a general description of the notes that the trusts may be offering. The applicable prospectus supplement will provide the specific terms of the notes of a series. Each time a trust offers to sell notes, it will provide a pricing supplement to this prospectus and the applicable prospectus supplement that will contain specific information about the terms of that offering. That pricing supplement also may add, update, supplement or clarify information in this prospectus and the applicable prospectus supplement. Before you agree to purchase any notes, you should read this prospectus, the applicable prospectus supplement and the applicable pricing supplement together with the information described under the heading "Incorporation of Documents by Reference" on page 3. For more detail on the terms of the notes, you should read the exhibits filed with or incorporated by reference in the registration statement.

You should rely on the information contained or incorporated by reference in this prospectus, the applicable prospectus supplement and the applicable pricing supplement. Neither the registrants 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 the registrants 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, the applicable prospectus supplement and the applicable pricing supplement is accurate only as of its respective date.

In this prospectus, references to the "depositor" and "Global Funding" are to Allstate Life Global Funding. References to the "trusts" are to Allstate Life Global Funding Trusts. References to an "issuing trust" are to a trust with respect to the series of notes issued and sold to the public by that trust. These references are not to Allstate Life Insurance Company. In this prospectus, references to "Allstate Life" are to Allstate Life Insurance Company.

In this prospectus, references to the "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.

## **AVAILABLE INFORMATION**

This prospectus, which constitutes part of the registration statement referred to above, does not contain all of the information set forth in the registration statement. Parts of the registration statement are omitted from this prospectus in accordance with the rules and regulations of the SEC. Allstate Life is subject to the informational requirements of the Exchange Act, and, in accordance with the Exchange Act, Allstate Life files annual, quarterly, and special event reports and other information with the SEC. On behalf of the trusts, as depositor, Global Funding will be subject to certain reporting requirements under the Exchange Act. You can read and copy any reports or other information that Global Funding and Allstate Life file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also request copies of such documents upon payment of a duplicating fee, by writing to the SEC's public reference room. You can obtain information regarding the public reference room by calling the SEC at 1-800-SEC-0330. Such filings are available to the public from commercial document retrieval services and over the internet at <http://www.sec.gov>. (This uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate the SEC web site into this prospectus).

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## **INCORPORATION OF DOCUMENTS BY REFERENCE**

The SEC allows Global Funding and Allstate Life to incorporate by reference information that Global Funding and Allstate Life file with the SEC into this prospectus and any accompanying prospectus supplement and pricing supplement, which means that incorporated documents are considered part of this prospectus and any accompanying prospectus supplement and pricing supplement. Global Funding and Allstate Life can disclose important information to you by referring you to those documents. Information that Global Funding and Allstate Life file with the SEC will automatically update and supersede information in this prospectus.

This prospectus and any accompanying prospectus supplement and pricing supplement incorporate by reference Allstate Life's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003 and the Current Reports on Form 8-K filed on June 16, 2003 and March 4, 2004, all of which were previously filed with the SEC. Each trust formed in connection with the offering of notes will incur separate reporting obligations under the Exchange Act. As the depositor and a statutory issuer of the notes, Global Funding will file separate periodic reports under the Exchange Act for each issuing trust. After each payment made by an issuing trust on its notes, Global Funding will file a separate Current Report on Form 8-K. After the end of the fiscal year for each trust, Global Funding will file a separate Annual Report on Form 10-K for each trust.

This prospectus and any accompanying prospectus supplement and pricing supplement also incorporate by reference any filings made by Global Funding or Allstate Life with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this prospectus and prior to the termination of the offering of the notes. These documents contain important information.



You may request a copy of any documents incorporated by reference in this prospectus and any accompanying prospectus supplement and pricing supplement (including any exhibits that are specifically incorporated by reference in them), 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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## DESCRIPTION OF ALLSTATE LIFE GLOBAL FUNDING AND THE TRUSTS

### General

Global Funding is a statutory trust formed under the laws of the State of Delaware pursuant to the trust agreement, dated as of June 24, 2002 (as amended, restated or modified from time to time, the "depositor trust agreement"), executed by the Delaware trustee and the administrator, and the Certificate of Trust filed with the Secretary of State of the State of Delaware on June 24, 2002. These documents are not restated in their entirety and you should read the actual documents which are attached as exhibits to the registration statement of which this prospectus forms a part.

Global Funding will not engage in any activity other than:

- beneficially owning the trusts;
- issuing funding notes;
- acquiring one or more funding agreements from Allstate Life;
- pledging, assigning as collateral and granting a security interest in the applicable funding agreement(s) to the funding note indenture trustee
- assigning absolutely the funding agreement(s) to, and depositing such funding agreement(s) into, the trusts; and
- engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental to or connected with those activities.

Each series of notes will be issued by a separate newly created Delaware statutory trust formed by the administrator and the Delaware trustee pursuant to the filing of a certificate of trust and the execution of the applicable trust agreement. Global Funding will be the sole beneficial owner of each trust that is formed.

After formation, each trust will not engage in any activity other than:

- issuing and selling a single series of notes;
- immediately acquiring a funding note and immediately surrendering such funding note for cancellation pursuant to its terms in exchange for one or more funding agreement(s);
- acquiring, holding and maintaining the funding agreement(s);
- pledging, assigning as collateral and granting a security interest in the applicable funding agreement(s) to the indenture trustee;
- making payments on the applicable series of notes; and
- engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental to or connected with those activities.

The principal executive offices of Global Funding and the trusts will be located at c/o AMACAR Pacific Corp., 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211. The telephone number is (704) 365-0569.

### Assets and Obligations of the Trusts

The notes of a series will be the unconditional, direct, non-recourse and unsubordinated obligations of the issuing trust and will rank equally among themselves. Each series of notes will be secured by and payable solely out of the assets of the issuing trust, and holders of such series of notes will have no right against the assets of Global Funding or the assets of any other trust. Any funding agreement and any other collateral securing the repayment of the obligations under such series of notes will be the assets of the issuing trust and will not be the assets of Global Funding or the assets of any

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other trust. The notes of a series will represent obligations of the issuing trust only and not of Global Funding or any other trust.

### Delaware Trustee and Administrator of Global Funding and the Trusts

Pursuant to the depositor trust agreement, Wilmington Trust Company is acting as the sole Delaware trustee and will provide trust services for Global Funding. Wilmington Trust Company will also act as the sole Delaware trustee for each of the trusts pursuant to separate trust agreements. The Delaware trustee, on behalf of Global Funding, executed the administrative services agreement of Global Funding, dated as of June 27, 2002 (as amended, restated or modified from time to time, the "depositor administrative services agreement"), with AMACAR Pacific Corp., in its capacity as the administrator of Global Funding. AMACAR Pacific Corp. will also be the

administrator of each trust pursuant to separate administrative services agreements. In such capacities the administrator will be responsible for various administrative functions relating to the business of Global Funding and the trusts.

### **Beneficial Ownership of Global Funding and the Trusts**

Global Funding is beneficially owned by AMACAR Pacific Corp. (the "trust beneficial owner"). The trust beneficial owner's only interest in Global Funding is the \$1,000 amount invested in Global Funding prior to the issuance of any notes or any funding notes. The principals of the trust beneficial owner have advised that it is ultimately owned by several individuals, none of whom are affiliated with Allstate Life or The Allstate Corporation. The investment by the trust beneficial owner will not be secured by the collateral relating to any series of notes.

Global Funding will be the beneficial owner of each trust that is formed.

### **Relationships among Global Funding, the Trusts, Allstate Life and Allstate Insurance Company**

The following describes the relationships among Global Funding, the trusts, Allstate Life and Allstate Insurance Company:

- pursuant to the name licensing agreement, dated as of \_\_\_\_\_, 2004, Allstate Insurance Company has granted Global Funding, and in connection with any issuance and sale of notes, pursuant to a separate name licensing agreement Allstate Insurance Company will grant the issuing trust, a non-exclusive license to use the name "Allstate" and other licensed marks as provided therein;
- Allstate Life and Global Funding entered into a support and expenses agreement dated as of \_\_\_\_\_, 2004, pursuant to which Allstate Life agreed, among other things, to pay certain costs and expenses relating to the offering, sale and issuance of each funding note and certain costs, expenses and taxes incurred by Global Funding, and to indemnify Global Funding with respect to certain matters;
- in connection with the issuance of a series of notes, pursuant to a separate support and expenses agreement, Allstate Life will agree, among other things, to pay certain costs and expenses relating to the offering, sale and issuance of the applicable series of notes and certain costs, expenses and taxes incurred by the issuing trust, and to indemnify the issuing trust with respect to certain matters; and
- Allstate Life, Global Funding and the applicable issuing trust will enter into the documents contemplated by the medium term note program or the Allstate Life<sup>SM</sup> CoreNotes<sup>®</sup> program in connection with the issue and sale of each series of notes.

Except as set forth above, none of The Allstate Corporation, Allstate Insurance Company, Allstate Life or any of their respective officers, directors, subsidiaries or affiliates owns or will own any

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beneficial interest in Global Funding or any trust nor has any of these persons or entities entered or will enter into any agreement with Global Funding or any trust.

No trust will be affiliated with Allstate Life.

Neither The Allstate Corporation, Allstate Insurance Company, Allstate Life nor any of their respective officers, directors, subsidiaries or affiliates owns, or will own, any beneficial interest in the depositor or the trusts.

Neither The Allstate Corporation, Allstate Life nor any of their respective officers, directors, subsidiaries or affiliates is affiliated with the Delaware trustee, the trust beneficial owner, the administrator or the indenture trustee. Neither The Allstate Corporation, Allstate Insurance Company, Allstate Life nor any of their respective officers, directors, subsidiaries or affiliates is affiliated with any beneficial owner of AMACAR Pacific Corp.

### **Records and Financial Statements of Global Funding and the Trusts**

Each trust will:

- maintain separate and distinct records; and
- hold and account for its assets separately from the assets of Global Funding and the assets of the other trusts.

On behalf of the trusts, as depositor, Global Funding will be subject to certain reporting requirements under the Exchange Act.

### **DESCRIPTION OF ALLSTATE LIFE INSURANCE COMPANY**

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 ("AIC"), a stock property-liability insurance company incorporated under the laws of the State of Illinois. All of the outstanding stock of AIC 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 2002 statutory premiums earned. Widely known through the "You're In Good Hands With Allstate<sup>®</sup>" slogan, The Allstate Corporation, through its subsidiaries, provides insurance products to more than 16 million households and has approximately 12,900 exclusive agents and financial specialists in the U.S. and Canada.

Allstate Life offers a diversified portfolio of retail and institutional products to meet consumers' needs in the areas of financial protection, savings and retirement through a variety of distribution channels. Retail life insurance products include: term life, whole life, credit life, interest-sensitive life, variable life, variable universal life and single premium life. Other insurance products include long-term care, accidental death, hospital indemnity and credit disability. Savings products include fixed deferred annuities (including market value adjusted annuities, equity-indexed annuities and treasury-linked annuities), immediate annuities (including structured settlement annuities) and variable annuities. These products are sold through a variety of distribution channels including Allstate agencies, financial institutions and broker/dealers, independent agents (primarily master brokerage agencies), direct marketing and specialized brokers. The institutional product line consists primarily of funding agreements sold to variable interest entities that issue medium term notes to institutional investors.

As of September 30, 2003 and December 31, 2002, respectively, Allstate Life's total invested assets in its general account were \$59.94 billion and \$52.67 billion, and its separate accounts assets were \$12.18 billion and \$11.13 billion, respectively. Net income for the nine months ended September 30, 2003 and 2002 was \$243 million and \$198 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:

	Nine Months Ended September 30, 2003	Year Ended December 31,				
		2002	2001	2000	1999	1998
Ratio of earnings to fixed charges(1)(2)(3)	1.3x	1.2x	1.3x	1.5x	1.6x	1.7x

- (1) Allstate Life has authority to issue up to 1,500,000 shares of non-voting preferred stock, par value \$100.00 per share. There are currently 930,650 shares of redeemable preferred stock issued and outstanding. Allstate Life is obligated to pay a dividend on those preferred shares.
- (2) 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.
- (3) 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

In connection with the issuance and sale of each series of notes, the issuing trust will use the net proceeds received from the offering of the applicable series of notes to purchase a funding note from Global Funding. Global Funding will use the proceeds received from the sale of such funding note to purchase one or more funding agreements issued by Allstate Life. Allstate Life intends to use the net proceeds from the sale of each funding agreement to purchase investment assets.

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### DESCRIPTION OF THE NOTES

This prospectus relates to:

- one or more series of secured medium term notes to be offered primarily to retail investors which are referred to as Allstate Life<sup>SM</sup> CoreNotes®; and
- one or more series of secured medium term notes to be offered primarily to institutional investors,

which one or more Delaware special purpose statutory trusts that may be formed from time to time may offer.

Allstate Life<sup>SM</sup> CoreNotes® will be offered from time to time to the public, with payment of principal of, any premium and interest on, and any other amounts due and owing with respect to, the Allstate Life<sup>SM</sup> CoreNotes® to be secured by one or more applicable funding agreements issued by Allstate Life and assigned absolutely to, and deposited into, the issuing trust by Global Funding.

The terms of the secured medium term notes are identical in all material respects to the terms of the Allstate Life<sup>SM</sup> CoreNotes®, except that the secured medium term notes:

- may be issued as amortizing notes;
- may be denominated in one or more foreign currencies;
- will not contain a survivor's option, permitting optional repayment of notes of a series, subject to certain limitations, prior to maturity, if requested, following the death of the beneficial owner of notes of that series; and
- may contain a provision providing for the redemption of the notes if Allstate Life is required to pay additional amounts on the related funding agreements pursuant to the applicable pricing supplement and Allstate Life exercises its right to redeem the funding agreements.

The following is a general description of the terms of the notes. Specific terms of a series of notes will be provided in the applicable prospectus supplement and the applicable pricing supplement which will supplement this prospectus.

Notes will be issued in one or more series. The terms of each indenture (as defined below) will not limit the amount of notes that the relevant trust may issue. Unless otherwise specified in the applicable prospectus supplement or the applicable pricing supplement, each series of notes will be secured by one or more funding agreements relating to that series of notes.

Each trust may issue notes at a discount below their stated principal amount, bearing no interest or interest at a rate that at the time of issuance is below market rates.

The decision to issue notes to investors and purchase funding agreements or funding notes (in the case of an issuing trust) issued by Allstate Life (or Global Funding in the case of funding notes) rests solely with Global Funding or the issuing trust (in the case of funding notes). Global Funding and the trusts are under no obligation to Allstate Life or any other person or entity to issue any notes or purchase any funding agreements.

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## DESCRIPTION OF THE INDENTURES

Each series of notes will be issued by a trust pursuant to a separate indenture (each, an "indenture") to be entered into between the issuing trust and J.P. Morgan Trust Company, National Association, in its capacity as indenture trustee (including any successor, the "indenture trustee"). Each indenture will be subject to and qualified under the Trust Indenture Act of 1939 (the "Trust Indenture Act"). Each indenture will adopt the standard indenture terms, which are filed as an exhibit to the registration statement of which this prospectus is a part and are incorporated into this prospectus by reference.

The following summary highlights some of the provisions included in the standard indenture terms, but it may not contain all of the information that is important to you. The standard indenture terms are not restated in their entirety and you should read the standard indenture terms, which are attached as an exhibit to the registration statement of which this prospectus forms a part.

### Covenants

Under the applicable indenture, the issuing trust will make 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 compliance with conditions, performance of obligations and adherence to covenants under the applicable indenture. Among other covenants, the issuing trust will agree that it will not, so long as any notes of the applicable series are outstanding, except, in any case, as otherwise permitted by the applicable indenture, the applicable trust agreement, or the relevant funding agreement(s):

- 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 the obligations under the notes of the relevant series and the applicable indenture;
- engage in any business or activity other than in connection with, or relating to: the execution and delivery of, and the performance of any obligations under, the applicable trust agreement, the applicable indenture, the applicable administrative services agreement, the applicable terms agreement, the distribution agreement, the applicable support agreement, the applicable funding note and each funding agreement; the issuance and sale of any notes pursuant to the applicable indenture; 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 applicable series of notes or as otherwise contemplated under the applicable series indenture or under the applicable trust agreement;
- (A) permit the validity or effectiveness of the applicable indenture or the security interest securing the applicable series of notes 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 applicable series of notes, except as expressly permitted under the applicable indenture, the applicable trust agreement or any applicable funding agreement; (C) create, incur, assume, or permit any lien or other encumbrance (other than a lien with respect to the collateral securing the applicable series of notes) on any of its properties or assets (whenever 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 applicable series of notes;
- amend, modify or fail to comply with any material provision of the applicable trust agreement, except for any amendment or modification of the applicable trust agreement expressly permitted thereunder or under the applicable indenture or the applicable funding agreement(s);

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- own any subsidiary or lend or advance any funds to, or make any investment in, any person, except for (A) the investment of any of its funds in the funding note and (B) the investment of any of its funds held by the indenture trustee, a paying agent, the Delaware trustee or the administrator as provided in the applicable indenture or the applicable 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 of its securities other than the applicable series of notes; provided that it may:
    - declare or pay a distribution or make any distribution or other payment to Global Funding, as its beneficial owner in compliance with the provisions of the applicable trust agreement if it has paid or made provision for the payment of all amounts due to be paid on the applicable series of notes; and
    - pay all of its debt, liabilities, obligations and expenses, the payment of which is provided for under the applicable support 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;
  - enter into any transaction of merger or consolidation, or liquidate or dissolve itself (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 Global Funding or any trust not to be either ignored or treated as a grantor trust for U.S. federal income tax purposes;
  - issue any notes of the applicable series unless:

- Allstate Life has affirmed in writing to the issuing trust that it has made changes to its books and records to reflect the granting by the issuing trust of a security interest in, and the making by the issuing trust of an assignment for collateral purposes of, the relevant funding agreement(s) by the issuing trust to the indenture trustee in accordance with the terms of the relevant funding agreement(s) and the applicable indenture; and
- it has 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 its 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 the applicable series of notes other than amounts that may be required to be withheld or deducted from such payments under the Internal Revenue Code of 1986, as amended (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 applicable indenture, any certificate representing a note of such series or any supplemental indenture;
- have any employees other than the Delaware trustee and the administrator or any other persons necessary to conduct its business and enter into transactions contemplated under the applicable indenture, the applicable trust agreement, the applicable administrative services agreement, the applicable terms agreement, the distribution agreement, the applicable support agreement, the applicable funding note or any applicable funding agreement;

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- have an interest in any bank account other than:
    - the accounts required under the applicable indenture, the applicable trust agreement, the applicable terms agreement, the distribution agreement or any applicable funding agreement; and
    - those accounts expressly permitted by the indenture trustee; provided that any such further accounts or such interest of the issuing trust therein shall be charged or otherwise secured in favor of the indenture trustee on terms acceptable to the indenture trustee;
  - permit any affiliate, employee or officer of Allstate Life or any agent to be a trustee of the issuing trust; or
  - commingle its assets with any assets of Global Funding, any other trust or any of its affiliates, or guarantee any obligation of any of its affiliates.

## Events of Default

The following will be "Events of Default" with respect to the notes of a particular series issued pursuant to the applicable indenture:

- default in the payment when due and payable of the principal of, or any premium on, any note of such series;
- 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 or any Event of Default (as defined in the applicable funding note) under the applicable funding note;
- the issuing trust fails to observe or perform any covenant contained in the notes of such series or in the applicable 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 the issuing trust remedy the same, will have been given by registered or certified mail, return receipt requested, to the issuing trust by the indenture trustee, or to the issuing trust and the indenture trustee by the holder or holders of at least 25% in aggregate principal amount of the outstanding notes of such series affected thereby;
- the applicable 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 on such collateral in favor of the indenture trustee 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 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 the issuing trust seeking liquidation, reorganization or other relief with respect to the issuing trust 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 the issuing trust or any substantial part of its property, and such involuntary case or other

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proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the issuing trust under the federal bankruptcy laws;

- the issuing trust commences 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 or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the issuing trust or any substantial part of its property, or it consents 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 makes a general assignment for the benefit of creditors, or fails generally to pay its debts as they become due, or takes 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 under the applicable indenture by notice in writing to the issuing trust (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 the issuing trust, or if any Event of Default specified in the third bullet above that would cause any funding agreement securing the notes of such series to become automatically and immediately due and payable occurs with respect to Allstate Life, then without any notice to the issuing trust 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 will be waived by the issuing trust under the applicable indenture.

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 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 issuing trust 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 and the principal of and premium on (if any) any and all notes of such series 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 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 applicable indenture, other than the non-payment of the principal of and premium on (if any) the notes of such series 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 applicable holder representative (as defined below), by written notice to the issuing trust and to the indenture trustee, may waive all defaults and rescind and annul such declaration and its consequences,

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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 of such series with respect to any funds collected by the indenture trustee during such Event of Default, subject to the terms of the applicable 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, the issuing trust 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 agreement(s), the applicable support agreement and any other sources available to the issuing trust may be insufficient to enable it to satisfy all of its 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.

#### **Application of Proceeds**

Any funds collected by the indenture trustee following an Event of Default or otherwise under the applicable indenture 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 other amounts due and owing, upon presentation of the global security 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, in an aggregate amount of no more than \$250,000 for all series of notes outstanding; and provided further, that this provision shall not derogate from the indenture trustee's rights to have the applicable holder representative offer to the indenture trustee reasonable security or indemnity against costs, expenses and liabilities which might be incurred by it in compliance with an order, request or direction, or if the

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indenture trustee makes an investigation, the indenture trustee may require reasonable indemnity against the costs, expenses or liabilities as a condition precedent and such reasonable expenses shall be paid by the issuing trust, or if such costs, expenses or liabilities are paid by the indenture trustee or any predecessor trustee, such payments shall be reimbursed by the issuing trust on demand;

*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 issuing trust for distribution by the administrator in accordance with the provisions of the applicable trust agreement.

Any funds collected by the indenture trustee where no Event of Default exists under an indenture 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 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:

*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 issuing trust for distribution by the administrator in accordance with the provisions of the applicable trust agreement.

The indenture trustee may make distributions under an indenture in cash or in kind or, on a ratable basis, in any combination thereof.

### **Certain Rights of Holders**

The holder or holders of a majority in aggregate principal amount of the notes of any series at the time outstanding shall have the right to elect a holder representative ("holder representative") who shall have binding authority upon all the holders and who shall 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 applicable indenture, provided that:

- such direction shall not be otherwise than in accordance with law and the provisions of the applicable 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.

Nothing in an 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 of the applicable series.

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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 relevant 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<sup>2</sup>/<sub>3</sub>% of the aggregate principal amount of the outstanding notes of such series;

it being understood and intended that no holder or holders of notes of a series shall have any right in any manner whatever by virtue of, or by availing of, any provision of the applicable 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 such 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.

Since Allstate Life and Global Funding are registrants, purchasers of notes may be able to proceed directly against Allstate Life and Global Funding to enforce their rights under the Federal securities laws and their rights under the Federal securities laws will be no different than if they purchased the underlying funding agreements directly from Allstate Life or the underlying funding notes directly from Global Funding.

### **Modifications and Amendments**

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

The issuing trust and the indenture trustee may from time to time and at any time enter into an indenture or indentures supplemental to the applicable indenture for one or more of the following purposes without the consent of any holders of the applicable series of notes:

- to add to the issuing trust's covenants such further covenants, restrictions, conditions or provisions as the issuing trust and the indenture trustee shall consider to be for the protection of each holder of notes of the applicable series, 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 relevant indenture, as described herein; 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 applicable holder representative to waive such an Event of Default;

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- to cure any ambiguity or to correct or supplement any provision contained in the relevant indenture or in any applicable supplemental indenture or note certificate which may be defective or inconsistent with any other provision contained in such indenture or in any applicable supplemental indenture or note certificate; or to make such other provisions in regard to matters or questions arising under the relevant indenture or under any applicable supplemental indenture or note certificate as the issuing trust may deem necessary or desirable and which shall not adversely affect the interests of the holders in any material respect; or
- to evidence and provide for the acceptance of appointment under the relevant indenture by a successor indenture trustee with respect to the notes of the applicable series and to add to or change any of the provisions of such indenture as shall be necessary to provide for or facilitate the issuing trust's administration under the applicable indenture by more than one indenture trustee.

The issuing trust shall advise all rating agencies that are then rating the medium term note program, the Allstate Life<sup>SM</sup> CoreNotes® program or the relevant 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 outstanding notes of the applicable series, the issuing trust 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 relevant indenture or of any applicable supplemental indenture or note certificate or of modifying in any manner the rights of the holders of notes of such series; provided, that no such supplemental indenture shall:

- change the final maturity of such series of notes, 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 of such series to institute suit for the payment thereof without the consent of the holder of each note of such series;
- modify any of the provisions of the relevant indenture except to increase the percentage of notes of such series required to approve any such supplemental indenture; or
- permit the creation of any lien ranking prior to or on a parity with the lien of the relevant indenture with respect to any part of the relevant collateral or terminate the lien of such indenture on any property held for the benefit and security of holders of notes of such series or deprive any holder of any note of such series of the security afforded by the lien of the relevant indenture, without the consent of the holder of each note of such series.

The issuing trust shall advise all rating agencies that are then rating the medium term note program, the Allstate Life<sup>SM</sup> CoreNotes® program or the relevant series of notes of any such supplemental indentures.

#### **Indenture Trustee**

Under each indenture, if an Event of Default with respect to the applicable 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 such 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.

Each indenture will provide that, except during the continuance of an Event of Default, 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 such indenture.

No provision of an 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 second preceding paragraph;
- 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 applicable indenture unless a responsible officer (as defined in the applicable 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 applicable 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 the applicable holder representative 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 applicable indenture with respect to the notes of the applicable series; and
- no provision of the applicable indenture will 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 thereunder, or in the exercise of any of its rights or powers thereunder, 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 under any indenture by giving not less than 90 days' prior written notice thereof to the issuing trust and the holders of the applicable 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 will be permitted to 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 applicable indenture and shall fail to resign after written request;



- 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
- 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 the applicable series of notes after written request therefor by the issuing trust or any holder of such notes who has been a bona fide holder of such notes for at least six months;

then, the issuing trust (except upon the occurrence and during the continuation of an Event of Default) will be permitted to remove the indenture trustee with respect to the applicable series of notes and appoint a successor indenture trustee under the applicable indenture.

In addition to the right of petition given to the resigning indenture trustee under an indenture and the right of removal given to the issuing trust thereunder as described in the preceding two paragraphs,

any holder who has been a holder of notes of such series 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 under the applicable indenture or the removal of the indenture trustee and the appointment of a successor indenture trustee under the applicable indenture, as the case may be.

The applicable holder representative 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 indenture trustee so removed, to the successor indenture trustee so appointed and to the issuing trust the evidence required for such action by the relevant indenture.

### **Meetings of Holders**

A meeting of holders of notes of a series will be permitted to be called at any time and from time to time pursuant to the relevant indenture to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by such 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 such 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 applicable indenture) is located. Notice of every meeting of holders of notes of such 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 relevant 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 an indenture or the notes of a series, other than as described below, none of Allstate Life, its officers, directors, affiliates, employees or agents or any of the trustees of Global Funding or the trusts, beneficial owners or agents, or any of their respective officers, directors, affiliates, employees or agents, all of whom are collectively referred to 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 related to such series of notes will be limited solely to a proceeding against the relevant collateral.

Neither any 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 Global Funding or any other trust to enforce the relevant series of notes (except that to the extent they exercise their rights, if any, to seize any relevant funding agreement(s), they may enforce the funding agreement(s) against Allstate Life) or for any deficiency judgment remaining after foreclosure of any property included in the relevant collateral.

The limitations on the rights of the holders described in the previous two paragraphs will not in any manner or way constitute or be deemed a release of the debt or other obligations of the issuing trust evidenced by the notes of the applicable series or otherwise affect or impair the enforceability against the assets of the issuing trust of the liens, assignments, rights and security interests created by the relevant indenture, the relevant collateral or any other instrument or agreement evidencing, securing or relating to the indebtedness or the obligations of the issuing trust evidenced by the notes of

the applicable series. The holders of notes of a series are not precluded from foreclosing upon any property included in the relevant collateral or from any other rights or remedies in law or in equity against the assets of the issuing trust.

Since Allstate Life and Global Funding are registrants, purchasers of notes may be able to proceed directly against Allstate Life and Global Funding to enforce their rights under the Federal securities laws depending on the particular facts and circumstances and their rights under the Federal securities laws will be no different than if they purchased the underlying funding agreements from Allstate Life or Global Funding.

### **Notices**

All notices regarding notes of a series will be mailed to the registered owners thereof as their names appear in the applicable note register maintained by the indenture trustee.

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

Each indenture and the notes of each series shall (unless specified otherwise in the applicable prospectus 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 issuing trust or remedies under the applicable 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 a trust or the indenture trustee arising out of or relating to the relevant indenture, any note of the applicable series or any portion of the relevant collateral may be brought in a United States federal court located in New York City, the Borough of Manhattan, provided that the applicable prospectus supplement may specify other jurisdictions as to which the issuing trust may consent to the nonexclusive jurisdiction of courts with respect to such series of notes.

## DESCRIPTION OF THE FUNDING NOTES

Each trust will use the net proceeds received from the issuance of the related series of notes to purchase a funding note (each, a "funding note"). Global Funding will use the net proceeds received from the sale of the related funding note to purchase one or more funding agreements issued by Allstate Life. Pursuant to each funding note indenture, Global Funding will immediately pledge and collateralize each such funding agreement to and grant a security interest in each such funding agreement and the related collateral in favor of the funding note indenture trustee. Global Funding will immediately thereafter assign absolutely to, and deposit into, the applicable trust each such funding agreement and, in connection with such assignment and deposit, the relevant funding note will be surrendered for cancellation by or on behalf of the applicable trust, and will be cancelled by the funding note indenture trustee, and the pledge and collateral assignment of each funding agreement to, and the security interest in favor of, the funding note indenture trustee will be terminated.

The funding note will have a principal amount equal to the principal amount of the related funding agreement(s) and the related series of notes. Each funding note will otherwise have payment and other terms substantially similar to the related funding agreement(s) and the related series of notes, except that the terms of each funding note will provide that it will be cancelled immediately upon the sale of, and deposit into, the issuing trust by Global Funding of the related funding agreement(s).

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## DESCRIPTION OF THE FUNDING AGREEMENTS

This section provides 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, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. Capitalized terms used in this summary have the same meanings as those used in the funding agreements, unless the context otherwise requires.

### General

In connection with the issuance of a series of notes, the issuing trust will acquire one or more funding agreements issued by Allstate Life. The issuing trust will grant a security interest in, pledge and collateralize each such funding agreement to the indenture trustee as collateral to secure the obligations under the applicable series of notes.

Such funding agreement(s) will have a principal amount equal to the principal amount of the related series of notes. The funding agreements will otherwise have payment and other terms substantially similar to the payment and other terms of the related series of notes. See "Description of the Notes" in the applicable prospectus supplement.

The funding agreements are unsecured obligations of Allstate Life, an Illinois stock life insurance company. 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 by "policyholders, beneficiaries, and insureds, under insurance policies, annuity contracts, and funding agreements" receive payment prior to any distribution to general creditors not falling within any other priority class under the Illinois Insurance Code.

In a properly prepared and presented case in a delinquency proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS Section 5/187 *et seq.* (the "Illinois Liquidation Act"), the timely and properly filed claims of an owner under the funding agreement (with the possible exception of claims for Additional Amounts, as discussed below) would be entitled to distribution *pari passu* with claims made by other policyholders, beneficiaries, and insureds under other insurance policies, insurance contracts, annuities and funding agreements 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 Section 5/205(1)(d) of the Illinois Liquidation Act, and an owner's claims under the funding agreement should not be recharacterized as other than the claims of a policyholder, beneficiary, or insured under an insurance policy, insurance contract, annuity or funding agreement.

If a funding agreement so provides, Allstate Life may be required to pay Additional Amounts (as such term is defined therein) to the indenture trustee as collateral assignee of the funding agreement. For a discussion regarding payment of Additional Amounts, see "Description of the Notes—Withholding Tax and Payment of Additional Amounts". The language of Section 205(1)(d) that specifically refers to claims under "funding agreements" has not been interpreted in any Illinois judicial decision. Specifically, there is no authority addressing whether claims under funding agreements for Additional Amounts would be accorded priority under Section 205(1)(d) as claims made by other policyholders, beneficiaries and insureds under other policies, insurance contracts, annuities and funding agreements. Accordingly, although such payments could be viewed as a claim under the funding agreements within the meaning of Section 5/205(1)(d), they may also be argued to be a separate payment obligation. Therefore, while in a proceeding before a court of competent jurisdiction the court might find that a claim for an Additional Amount constitutes a claim under a funding agreement, it also might find that such a claim is not a claim entitled to the priority afforded by Section 5/205(1)(d). If a claim for an Additional Amount does not constitute a claim entitled to the priority afforded by Section 5/205(1)(d), then in a properly prepared and presented case any claim for

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an Additional Amount would be entitled to the same priority as claims of general creditors of Allstate Life under Section 5/205(1)(g).

As insurance contracts under Illinois law, funding agreements rank senior to unsecured indebtedness of Allstate Life. Therefore, if Allstate Life were to offer notes directly to investors, holders of such notes would receive an effectively subordinated obligation because of the relative priority of insurance contracts and funding agreements over unsecured indebtedness.

With respect to any issuance of the notes of a series, the aggregate amount of Allstate Life's liabilities that would rank *pari passu* with each funding agreement securing such series of notes is disclosed in the financial statements of Allstate Life contained in Allstate Life's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q filed with the SEC, in each case as of the date of such financial statements. This amount appears in the Consolidated Statements of Financial Position as a liability under the line item entitled "Contractholder funds".

The statutory authorizations for the uses of funding agreements under the Illinois Insurance Code (the "Illinois Insurance Code") are severely limited. The form of funding agreement has been filed with the Illinois Department of Insurance and has been accepted as a funding agreement that is a type of annuity contract without life contingency permitted by Section 5/226.1 of the Illinois Insurance Code. Under that provision, the permitted uses are limited to funding of: (a) ERISA employee benefit plans; (b) an activity of an Internal Revenue Code Section 501(c) organization; (c) a program of a government entity or instrumentality; (d) structured settlement claims; and (e) a program of an institution with assets in excess of \$25,000,000. Thus, the market for direct sales of funding agreements is very narrow, essentially limited to large institutional investors under Rule 144A or foreign investors under Regulation S promulgated under the Securities Act, as amended. Moreover, in contrast to medium term notes, funding agreements have no secondary market to provide investors with liquidity or mark-to-market valuation and, therefore, the funding agreement market is much narrower than the universe of investors who can purchase medium term notes.

In addition, funding agreements are insurance contracts authorized by Section 5/226.1 of the Illinois Insurance Code. Only licensed insurance agents or the issuing insurance company may sell such contracts. Thus, not only is the market for direct funding agreement sales limited by the specified classes of buyers, but it is restricted also by the limits on the agency force.

The Illinois Department of Insurance has confirmed that it does not consider the sale of publicly offered funding agreement backed medium term notes to violate the Illinois Insurance Code. In addition, the Illinois Department of Insurance has approved the form of funding agreement to be used in connection with the medium term note program and the Allstate Life<sup>SM</sup> CoreNotes® program.

The rating by any rating agency of the financial strength of Allstate Life does not mean that such rating agency will rate a funding agreement or the related series of notes. However, unless otherwise indicated in the applicable pricing supplement, each series of notes, the related funding note and the funding agreement(s) securing such series of notes will have an issue credit rating of \_\_\_\_\_ from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. We expect the program to be rated \_\_\_\_\_ by Moody's Investors Service, Inc. ("Moody's"). If Moody's changes the program rating, the new program rating will be specified in the applicable pricing supplement. Notes of a series will be issued under the program only in the event that, at the time of issuance of such series of notes, at least one nationally recognized rating agency would assign an investment grade rating to such series of notes, the related funding note and the funding agreement(s) securing such series of notes.

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## 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 by "policyholders, beneficiaries, and insureds, under insurance policies, annuity contracts, and funding agreements" 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 regulatory counsel of Allstate Life, has opined that, subject to the limitations, qualifications and assumptions set forth in its opinion letter, in a properly prepared and presented case, (1) in a delinquency proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS Section 5/187 *et seq.* (the "Illinois Liquidation Act"), the timely and properly filed claims of an owner under the funding agreement (with the possible exception of claims for Additional Amounts, as discussed below) would be entitled to distribution *pari passu* with claims made by other policyholders, beneficiaries, and insureds under other insurance policies, insurance contracts, annuities and funding agreements 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 Section 5/205(1)(d) of the Illinois Liquidation Act, and (2) an owner's claims under the funding agreement should not be recharacterized as other than the claims of a policyholder, beneficiary, or insured under an insurance policy, insurance contract, annuity or funding agreement.

If a funding agreement so provides, Allstate Life may be required to pay Additional Amounts (as such term is defined therein) to the indenture trustee as collateral assignee of the funding agreement. Although such payments could be viewed as a claim under the funding agreements within the meaning of Section 5/205(1)(d), it may also be argued to be a separate payment obligation. Therefore, while in a proceeding before a court of competent jurisdiction the court might find that a claim for an Additional Amount constitutes a claim under a funding agreement, it also might find that such a claim is not a claim entitled to the priority afforded by Section 5/205(1)(d). Lord, Bissell & Brook has opined that if a claim for an Additional Amount does not constitute a claim entitled to the priority afforded by Section 5/205(1)(d), then in a properly prepared and presented case any claim for an Additional Amount would be entitled to the same priority as claims of general creditors of Allstate Life under Section 5/205(1)(g).

In the absence of controlling judicial precedents, the opinion of Lord, Bissell & Brook is based on a reasoned analysis of Illinois statutes, as well as application of other states' judicial decisions involving similar or analogous circumstances. Investors should note that in the event of the insolvency of an insurance company, however, the judicial application of statutes governing the distribution of the insurer's general assets has typically proceeded on a case-by-case basis.

## Payments under Funding Agreements

Under the terms of each funding agreement securing the obligations under a series of notes, Allstate Life will be obligated to make payments in the amounts necessary to permit the issuing trust to meet in full its scheduled payment obligations under the applicable series of notes.

Unless otherwise specified in the applicable pricing supplement, the issuing trust will not pay any additional amounts to holders of the notes of a series 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 prospectus supplement or the applicable pricing supplement specifies that the issuing trust will pay additional amounts to holders of the notes of the applicable series in the event of certain changes in tax law, including the repeal of the "Portfolio Interest Exemption" from United States Federal withholding taxes for payments to non-U.S. Holders, the relevant funding agreement(s) will provide that Allstate Life will make payments to the issuing trust in the amounts necessary to permit it

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to pay additional amounts, if any, required to be paid to holders of the particular series of notes. If the payment of additional amounts to holders of a particular series of notes is required as a result of a change in tax law, Allstate Life will be obligated to pay such additional amounts to the issuing trust under the relevant funding agreement(s).

## 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;
- 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;
- 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;
- 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;
- 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;
- 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;
- 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 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

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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, fourth, fifth, sixth, seventh and eighth bullets above), the indenture trustee as collateral assignee of the funding agreement may, by written notice to Allstate Life, declare the principal of, plus accrued but unpaid interest on and any other amounts then due and owing with respect to, 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, fourth, 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 indenture trustee as collateral assignee 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 in the Funding Agreement**

In each funding agreement, each party will represent and warrant 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
- 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 any transfer or assignment of the funding agreement or any right to receive payments under the funding agreement 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. In connection with the issuance of a series of notes, Allstate Life will consent to the sale and deposit of each relevant funding agreement from the depositor to the issuing trust and the pledge and collateral assignment of, and the grant of a security interest in, each such funding agreement to the Indenture Trustee, and will affirm that it has changed its books and records to reflect the foregoing.

#### **Termination of Funding Agreements by Allstate Life**

If the applicable pricing supplement specifies that the issuing trust will pay additional amounts to holders of its notes in the event of certain changes in tax law, including the repeal of the "Portfolio Interest Exemption" from United States Federal withholding taxes for payments to non-U.S. Holders, the funding agreement(s) securing such series of notes will provide that Allstate Life may terminate the relevant funding agreement(s) upon the occurrence of certain specified tax events. Unless otherwise specified in the applicable Pricing Supplement, Allstate Life will not be able to unilaterally terminate any funding agreements under any other circumstances. In order to terminate the relevant funding agreement(s) in the event of a certain change in tax law, Allstate Life must give not less than 30 and no more than 75 days prior written notice to the issuing trust and pay such issuing trust the outstanding

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principal of and accrued but unpaid interest, including any additional amounts due and owing, on the notes of such series or such other amount as is specified in the applicable pricing supplement for such notes. However, Allstate Life may not give notice of termination earlier than 90 days prior to the earliest day when Allstate Life would become obligated to pay any such additional amounts were a payment in respect of the funding agreement(s) then due.

### **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.

## **DESCRIPTION OF SUPPORT AND EXPENSES AGREEMENTS**

### **Support and Expenses Agreements of the Trusts**

This section provides a summary of the material terms and conditions of each support and expenses agreement to be entered into by Allstate Life and the applicable issuing trust (each, a "support agreement"). Each support agreement will incorporate by reference the standard support and expenses agreement terms. The form of support and expenses agreement is included in the form of series instrument. This summary is not complete and you should read the detailed provisions of the standard support and expenses agreement terms, and the applicable support agreement. Copies of the support and expenses agreement terms and the form of series instrument have been filed as exhibits to the registration statement of which this prospectus is a part and are incorporated into this prospectus by reference.

Under each support agreement, Allstate Life will agree to pay the costs and expenses relating to the offering, sale and issuance of the applicable series of notes and costs, expenses and taxes incurred by the issuing trust other than certain excluded amounts described below, and to indemnify the indenture trustee, the Delaware trustee, the administrator and each other service provider, as well as the issuing trust, with respect to certain matters.

Under each support agreement, Allstate Life will not be obligated to pay any costs, expenses, taxes or other amounts that are considered excluded amounts. Excluded amounts include:

- any obligation Global Funding or any trust may have to make any payment in accordance with the terms of any funding notes or any notes;
- any obligation or expense of Global Funding or any trust to the extent that such obligation or expense has actually been paid utilizing funds available from payments under the applicable funding agreement(s) and funding notes, as applicable;
- 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 funding notes or the notes are, or are deemed to be, participations in the funding agreements or contracts of insurance, or
  - the offer, purchase, sale and/or transfer of the funding notes or the notes and/or the pledge and collateral assignment of, or the grant of a security interest in, any funding agreement, constitute the conduct of the business of insurance or reinsurance in any jurisdiction or require Global Funding, any trust or any holder to be licensed as an insurer, insurance agent or broker in any jurisdiction;
- any obligation of Global Funding or any trust to pay additional amounts to indemnify any holder of the funding notes or the notes against potential withholding tax liabilities;

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- any cost, loss, damage, claim, expense, tax, penalty or liability of any kind imposed on a service provider to the trust resulting from the bad faith, misconduct or negligence of such service provider;
  - any income taxes or overhead expenses of any service provider; or
  - any withholding taxes imposed with respect to payments made under any funding agreement or any notes, or any additional amounts paid to any noteholder.

With respect to any support obligation owed to the Delaware trustee and the Administrator, excluded amounts specified in the third bullet point above shall not apply.

### **Support and Expenses Agreement of Global Funding**

Allstate Life and Global Funding entered into a support and expenses agreement dated as of \_\_\_\_\_ (the "depositor support agreement"). Pursuant to the depositor support agreement Allstate Life agreed to pay the costs and expenses relating to the offering, sale and issuance of each funding note and costs, expenses and taxes incurred by Global Funding other than the excluded amounts (as described under "—Support and Expenses Agreements of the Trusts" above). Pursuant to the depositor trust agreement Allstate Life also agreed to indemnify the indenture trustee, the Delaware trustee, the administrator and each other service provider, as well as Global Funding, with respect to certain matters.

Under the depositor trust agreement, Allstate Life will not be obligated to pay any costs, expenses, taxes or other amounts that are considered excluded amounts.

## **DESCRIPTION OF ADMINISTRATIVE SERVICES AGREEMENTS**

### **Administrative Services Agreements of the Trusts**

This section provides a summary of the material terms and conditions of each administrative services agreement to be entered into between the administrator and each trust to be formed in connection with the issuance of a series of notes (each, an "administrative services agreement"). The form of administrative services agreement is included in the form of series instrument. Each administrative services agreement will incorporate by reference the standard administrative services terms. This summary is not complete and you should read the detailed provisions of the standard administrative services terms and the applicable administrative services agreement. Copies of the

standard administrative services terms and the form of series instrument have been filed as exhibits to the registration statement of which this prospectus is a part and are incorporated into this prospectus by reference.

Pursuant to each administrative services agreement, the administrator will perform various financial, statistical, accounting and other services for the issuing trust, including maintenance of books and records, preparation, upon request, of amendments to and waivers under certain documents, holding, maintaining and preserving executed copies of certain documents; upon receipt of notice, taking certain actions to enforce agreements as to which the issuing trust is a party, preparing certain documents for signature by the issuing trust, obtaining services of outside counsel, accountants and/or other outside service providers, other actions incidental or reasonably necessary to accomplish the foregoing and certain other actions specifically directed by the issuing trust. In addition, the administrator will prepare and file with the SEC and, if necessary, execute, on behalf of the issuing trust such documents, forms, certifications or filings as may be required by the Exchange Act.

Each administrative services agreement will be governed by, and construed in accordance with, the laws of the State of New York.

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### **Administrative Services Agreement of Global Funding**

Global Funding and the administrator executed the administrative services agreement of Global Funding, dated as of June 27, 2002 (as amended, restated or modified from time to time, the "depositor administrative services agreement").

Pursuant to the depositor administrative services agreement, the administrator agreed to perform various financial, statistical, accounting and other services for Global Funding, including maintenance of books and records, preparation, upon request, of amendments to and waivers under certain documents, holding, maintaining and preserving executed copies of certain documents; upon receipt of notice, taking certain actions to enforce agreements as to which Global Funding is a party, preparing certain documents for signature by Global Funding, obtaining services of outside counsel, accountants and/or other outside service providers, other actions incidental or reasonably necessary to accomplish the foregoing and certain other actions specifically directed by Global Funding. In addition, the administrator will prepare and file with the SEC and, if necessary, execute on behalf of Global Funding such documents, forms, certifications or filings as may be required by the Exchange Act.

The administrative services agreement is governed by, and will be construed in accordance with, the laws of the State of New York.

### **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"), assets of a trust 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 a trust 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) each 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

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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 example, if either Global Funding, a trust or Allstate Life is 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 of the applicable series 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 Global Funding, any trust or any of their respective 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

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(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.

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 Global Funding or any 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 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 trust, the sale of notes of the applicable series 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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## PLAN OF DISTRIBUTION

The trusts will offer the notes from time to time for sale to or through the agents identified in the applicable prospectus supplement (collectively, the "Agents"). The trusts may also offer the notes from time to time for sale directly to investors and other purchasers. The distribution of the notes offered under this prospectus may occur in one or more transactions at fixed prices, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, all of which may change over time.

In connection with any sale of the notes, the Agents may receive compensation in the form of discounts, concessions or commissions from the issuing trust or from purchasers of the notes for whom they may act as agents. The Agents may sell the notes to or through dealers, and those dealers may receive compensation in the form of discounts, concessions, or commissions from the purchasers for whom they may act as agents. Any Agents that participate in the offering of the notes will be identified and their compensation will be described in the applicable prospectus supplement or the applicable pricing supplement. The applicable prospectus supplement or the applicable pricing supplement will also describe the other terms of the offering, including any discounts or concessions allowed or reallocated or paid to dealers.

The Agents participating in the distribution of notes will be "underwriters," with respect to the notes being distributed by them and the funding agreements being purchased by the issuing trust, and any discounts or commissions received by them on the sale or resale of notes may be deemed to be underwriting discounts and commissions under the Securities Act. The Agents may be entitled under agreements entered into with a trust, Global Funding and Allstate Life to indemnification against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that the Agents may be required to make in respect of such liabilities.

Global Funding is a statutory issuer of the notes and the funding notes under the Securities Act, and Allstate Life is a statutory issuer of the funding agreements under the Securities Act.

With respect to any series of notes as to which J.P. Morgan Securities Inc. will serve as an agent, the relevant trust will appoint an eligible and unaffiliated entity to serve as indenture trustee, instead of J.P. Morgan Trust Company, National Association. In this situation, Global Funding will appoint an eligible and unaffiliated entity to serve as funding note indenture trustee, instead of J.P. Morgan Trust Company, National Association, for the related funding note.

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, funding notes and funding agreements, and their offering will be passed upon:

- for Allstate Life by Counsel of Allstate Life (as to Illinois law, including the validity of the funding agreements thereunder);
- for Global Funding and Allstate Life by LeBoeuf, Lamb, Greene & MacRae, L.L.P., a limited liability partnership including professional corporations (as to New York law and United States Federal securities law, including the validity of the notes and the funding notes thereunder, and as to tax law and certain insurance regulatory matters);
- for Global Funding and Allstate Life by Lord, Bissell & Brook (as to certain Illinois regulatory matters);
- for Global Funding and Wilmington Trust Company by Richards, Layton & Finger, P.A. (as to Delaware law, including, organization, authority and certain regulatory matters related to Global Funding, the trusts and the Delaware Trustee, certain security interest matters, the enforceability of the trust agreements and the valid issuance of the notes and the funding notes); and
- for the Agents by Sidley Austin Brown & Wood LLP (as to 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. Sidley Austin Brown & Wood LLP has from time to time represented, and continues to represent Allstate Life.

## EXPERTS

The consolidated financial statements and the related consolidated financial statement schedules incorporated in this prospectus by reference from the Allstate Life Insurance Company Annual Report on Form 10-K for the year ended December 31, 2002 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein 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, 2003 and 2002; June 30, 2003 and 2002; and September 30, 2003 and 2002 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, 2003; June 30, 2003; and September 30, 2003 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, 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 Securities Act.

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 14. Other Expenses of Issuance and Distribution.

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

Securities and Exchange Commission registration fee	\$	323,600*
Blue Sky Filing and Counsel Fees		850,000
Fees and expenses of Trustees		50,000
Printing Registration Statement, prospectus and other documents		100,000
Accountants' fees		75,000
Rating Agencies' fees		300,000
Miscellaneous expenses		50,000
		<hr/>
Total	\$	1,701,000
		<hr/>

\* Pursuant to Rule 457(p) under the Securities Act, a registration fee of \$276,000 previously paid in connection with the registration statement on Form S-3 (File No. 333-101424), originally filed on November 22, 2002 and withdrawn on June 11, 2003, is offset against the total filing fee of \$323,600 due in respect of this registration statement.



**Item 15. Indemnification of Directors and Officers.**

*Allstate Life Insurance Company*

Under Section 8.75 of the Illinois Business Corporation Act of 1983, Allstate Life Insurance Company 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 Insurance Company, or serving or having served at the request of Allstate Life Insurance Company 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 Insurance Company 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 Insurance Company provides that Allstate Life Insurance Company 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 Insurance Company, 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

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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 Insurance Company before such date. Article IV of the bylaws of The Allstate Corporation provides similar rights of indemnification to all directors, former directors, officers and former officers of Allstate Life Insurance Company, as a subsidiary of The Allstate Corporation.

The directors and officers of Allstate Life Insurance Company 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 Insurance Company.

*Allstate Life Global Funding*

Pursuant to a support and expenses agreement between Allstate Life Insurance Company and Allstate Life Global Funding dated as of \_\_\_\_\_, Allstate Life Insurance Company agreed to indemnify Wilmington Trust Company as Delaware trustee and AMACAR Pacific Corp. as administrator of Allstate Life Global Funding with respect to certain matters related to the performance of such functions.

Allstate Life Global Funding agreed, pursuant to the administrative services agreement of Allstate Life Global Funding dated as of June 27, 2002 (the "depositor 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 right and/or performance of the administrator's duties by the administrator or its agents and employees pursuant to the depositor administrative services agreement. Allstate Life Global Funding has 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 of Allstate Life Global Funding dated as of \_\_\_\_\_ (as the same may be amended, restated or modified) or any other agreements to which Allstate Life Global Funding is a party or to which Allstate Life Global Funding becomes a party.

**Item 16. Exhibits.**

(a) Exhibits:

Exhibit No.	Description
1.1*	Form of Distribution Agreement.
1.2*	Form of Terms Agreement (included in Part E to the Form of Series Instrument filed as Exhibit 4.13).
1.3*	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 (File No. 000-31248) ).
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 (File No. 000-31248)).
3.3	Certificate of Trust of Allstate Life Global Funding, dated as of June 24, 2002 (incorporated by reference to Registration Statement (File No. 333-101424)).
3.4*	Form of Amended and Restated Certificate of Trust of Allstate Life Global Funding.
3.5*	Form of Certificate of Trust of an Allstate Life Global Funding Trust.

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4.1	Trust Agreement of Allstate Life Global Funding, dated as of June 24, 2002, between Wilmington Trust Company and AMACAR Pacific Corp. (incorporated by reference to Registration Statement (File No. 333-101424) ).
4.2*	Form of Amended and Restated Trust Agreement of Allstate Life Global Funding to be entered into by Wilmington Trust Company, as Delaware Trustee, and AMACAR Pacific Corp., in its capacities as Administrator and Trust Beneficial Owner.
4.3*	Standard Trust Agreement Terms.
4.4*	Form of Trust Agreement of each Issuing Trust to be entered into among Wilmington Trust Company, AMACAR Pacific Corp. and Global Funding (included in Part A to the Form of Series Instrument filed as Exhibit 4.13).

4.5**	Standard Indenture Terms.
4.6**	Form of Indenture to be entered into between each Issuing Trust and J.P. Morgan Trust Company, National Association (included in Part A to the Form of Closing Instrument filed as Exhibit 4.14 hereto).
4.7**	Standard Funding Note Indenture Terms.
4.8**	Form of Funding Note Indenture to be entered into between Global Funding and J.P. Morgan Trust Company, National Association (included in Part B to the Form of Closing Instrument filed as Exhibit 4.14 hereto).
4.9**	Form of Global Security for Secured Medium Term Note Program.
4.10**	Form of Definitive Security for Secured Medium Term Note Program.
4.11**	Form of Global Security for Allstate Life <sup>SM</sup> CoreNotes® Program.
4.12**	Form of Definitive Security for Allstate Life <sup>SM</sup> CoreNotes® Program.
4.13**	Form of Series Instrument.
4.14**	Form of Closing Instrument.
5.1*	Opinion of Counsel of Allstate Life Insurance Company.
5.2*	Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P.
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 (incorporated by reference to Registration Statement (File No. 333-101424)).
10.2**	Form of Funding Note related to Secured Medium Term Notes issued under the Allstate Life <sup>SM</sup> CoreNotes® Program.
10.3**	Form of Funding Note related to Secured Medium Term Notes issued under the Secured Medium Term Note Program.
10.4	Support and Expenses Agreement, dated as of June 27, 2002, between Allstate Life Insurance Company and Allstate Life Global Funding (incorporated by reference to Registration Statement (File No. 333-101424) ).
10.5*	Form of Amended and Restated Support and Expenses Agreement to be entered into between Allstate Life Insurance Company and Allstate Life Global Funding.
10.6*	Standard Support and Expenses Agreement Terms.
10.7*	Form of Support and Expenses Agreement (included in Part C to the Form of Series Instrument filed as Exhibit 4.13).

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10.8	Administrative Services Agreement, dated as of June 27, 2002, between Allstate Life Global Funding and AMACAR Pacific Corp. (incorporated by reference to Registration Statement (File No. 333-101424) ).
10.9*	Form of Amended and Restated Administrative Services Agreement to be entered into between Allstate Life Global Funding and AMACAR Pacific Corp.
10.10*	Standard Administrative Services Agreement Terms.
10.11*	Form of Administrative Services Agreement of each Issuing Trust to be entered into between each Issuing Trust and AMACAR Pacific Corp. (included in Part B to the Form of Series Instrument filed as Exhibit 4.13).
10.12*	Form of Name Licensing Agreement between Allstate Insurance Company and Allstate Life Global Funding.
10.13*	Form of Name Licensing Agreement of each Issuing Trust (included in Part D to the Form of Series Instrument filed as Exhibit 4.13).
10.14*	Standard Name Licensing Agreement Terms.
10.15	Indemnity Agreement, dated as of June 24, 2002, between Allstate Life Global Funding and Wilmington Trust Company (incorporated by reference to Registration Statement (File No. 333-101424)).
10.16*	Form of Amended and Restated Indemnity Agreement to be entered into 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.
23.4*	Consent of Lord, Bissell & Brook.
23.5*	Consent of Richards, Layton & Finger, P.A.
24	Power of Attorney (included as part of the Allstate Life Insurance Company signature pages).
25.1*	Statement of Eligibility under the Trust Indenture Act of 1939 of J.P. Morgan Trust Company, National Association as Indenture Trustee under the Indenture.
25.2**	Statement of Eligibility under the Trust Indenture Act of 1939 of J.P. Morgan Trust Company, National Association as Funding Note Indenture Trustee under the Funding Note Indenture.

\* Previously filed.

\*\* Filed herewith.

**Item 17. Undertakings.**

(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 this registration statement:

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

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(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. 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 statement. (iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement; 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 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 this registration statement.

(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 this registration statement 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 this registration statement 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 this registration statement 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 Trust Indenture Act.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant 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, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person 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 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 Charlotte, State of North Carolina, on March 23, 2004.

#### ALLSTATE LIFE GLOBAL FUNDING

By: AMACAR Pacific Corp.,  
not in its individual capacity,  
but solely as administrator\*

By: /s/ EVELYN ECHEVARRIA

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Name: Evelyn Echevarria  
Title: Vice President

\* Allstate Life Global Funding is a statutory trust organized under the laws of the State of Delaware and has no officers. AMACAR Pacific Corp., as administrator, is the sole provider of administrative services to Allstate Life Global Funding.

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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 amendment no. 2 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Northbrook, and State of Illinois, on March 23, 2004.

#### ALLSTATE LIFE INSURANCE COMPANY

By: /s/ CASEY J. SYLLA

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

Pursuant to the requirements of the Securities Act of 1933, this amendment no. 2 to the registration statement has been signed on March 23, 2004 by the following persons in the capacities indicated.

Signature

Title

---

/s/ DAVID A. BIRD

---

Senior Vice President and Director of Allstate Life

---

David A. Bird

/s/ DANNY L. HALE

Director of Allstate Life

Danny L. Hale

\*

Director of Allstate Life

Edward M. Liddy

/s/ JOHN C. LOUNDS

Senior Vice President and Director of Allstate Life

John C. Lounds

/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 and Controller of Allstate Life

Samuel H. Pilch

/s/ STEVEN E. SHEBIK

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

Steven E. Shebik

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/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

\*

Director of Allstate Life

Thomas J. Wilson, II

By: /s/ MICHAEL J. VELOTTA

Michael J. Velotta  
Power of Attorney

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**EXHIBIT INDEX**

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\*\* Filed herewith.

## QuickLinks

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This reconciliation table shall not be deemed to be part of the Indenture for any purpose.

Attention should also be directed to Section 318(c) of the Trust Indenture Act, which provides that certain provisions of Sections 310 to and including 317 are a part of and govern every qualified indenture, whether or not physically contained in the Indenture.

This document constitutes the Standard Indenture Terms, which will be incorporated by reference in, and form a part of, the Indenture (as defined below), by and among the Trust (as defined below) and the Indenture Trustee (as defined below).

These Standard Indenture Terms shall be of no force and effect unless and until incorporated by reference into, and then only to the extent not modified by, such Indenture.

The following Standard Indenture Terms shall govern the Notes subject to contrary terms and provisions expressly adopted in the Indenture, any Supplemental Indenture or the Notes, which contrary terms shall be controlling.

#### ARTICLE 1 DEFINITIONS

SECTION 1.1 CERTAIN TERMS DEFINED. The following terms shall have the meanings specified in this Section for all purposes of the Indenture and the Notes, unless otherwise expressly provided. All other terms used in the 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 otherwise expressly provided in the Indenture 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 the Indenture as originally executed.

"ADDITIONAL AMOUNTS" means any additional amounts which may be required by the Notes, under circumstances specified in a Note Certificate or Supplemental Indenture, to be paid by the Trust in respect of certain taxes, assessments or other governmental charges imposed on Holders specified therein and which are owing to such Holders.

"ADMINISTRATIVE SERVICES AGREEMENT" means that certain administrative services agreement included in Part B of the Series Instrument, by and between the Trust and the Administrator, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"ADMINISTRATOR" means AMACAR Pacific Corp., a Delaware corporation, in its capacity as the sole administrator of the Trust, 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.

"AGENTS" has the meaning set forth in the Distribution Agreement.

"AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT" means that certain Amended and Restated Administrative Services Agreement dated as of - , 2004, between

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AMACAR Pacific Corp. and Global Funding, as the same may be amended, restated, modified, supplemented or replaced from time to time.

"ANNUAL REDEMPTION PERCENTAGE REDUCTION" has the meaning specified in the Note Certificate(s).

"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).

"CALCULATION AGENT" means the Indenture Trustee in its capacity as calculation agent or any other Person specified as calculation agent with respect to any Notes in the Note Certificate(s).

"CERTIFICATED NOTE" means a Note represented by a Definitive Security.

"CLEARING CORPORATION" means DTC, or any other clearing system specified in

the Note Certificate(s) and their respective successors and "CLEARING CORPORATIONS" means all of the foregoing.

"CLOSING INSTRUMENT" means the closing instrument of the Trust, pursuant to which the Indenture is entered into, and certain other documents are executed, in connection with the issuance of the Notes by the Trust.

"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 the Notes, the right, title and interest of the Trust in and to (i) each Funding Agreement held in the Trust, (ii) all Proceeds in respect of each such Funding Agreement and (iii) all books and records (including without limitation, computer programs, printouts and other computer materials and files) of the Trust pertaining to the Funding Agreement(s).

"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 the Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

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"COORDINATION AGREEMENT" means that certain Coordination Agreement included in Part F of the Series Instrument, among the Funding Agreement Provider, Global Funding, the Funding Note Indenture Trustee, the Trust and the Indenture Trustee, as the same may be amended, modified or supplemented from time to time.

"CORPORATE TRUST OFFICE" means the office of the Indenture Trustee at which the Indenture shall, at any particular time, be administered, which office is, at the date as of the Indenture located at 201 North Central Avenue, Phoenix, AZ 85004, except that for the purposes of Section 4.2 it shall be 4 New York Plaza, 1st Floor, New York, New York 10004, or such other location as may be specified in or pursuant to the Note Certificate(s).

"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, (iv) 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, (v) 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 (vi) 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.

"DEPOSITARY" shall mean, if the Notes are represented by one or more Global Securities, the Clearing Corporation or its agent or nominee designated as Depositary by the Trust pursuant to Section 2.10 until a successor Depositary shall have become such pursuant to the applicable provisions of the Indenture, and thereafter "DEPOSITARY" shall mean or include each Person who is then a Depositary under the Indenture. The Depositary must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation. Unless otherwise specified in the Note Certificate(s), the "DEPOSITARY" shall initially be DTC.

"DISTRIBUTION AGREEMENT" means that certain Distribution Agreement dated as of -, 2003, by and among Global Funding and the Agents named therein, as the same may be amended, restated, modified or supplemented from time to time.

"DTC" means The Depository Trust Company and its successors and assigns.

"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

"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" means the Indenture Trustee in its capacity as exchange rate agent or any other person specified as exchange rate agent with respect to any Notes in the Note Certificate(s).

"FOREIGN CURRENCY NOTE" means a Note the Specified Currency of which is other than U.S. Dollars.

"FUNDING AGREEMENT" means each funding agreement issued by the Funding Agreement Provider to Global Funding, which is immediately sold to and deposited into, the Trust by Global Funding, and immediately pledged and collaterally assigned by the Trust to the Indenture Trustee for the benefit of the Holders of the Notes, as the same may be modified, restated, replaced, supplemented or otherwise amended from time to time in accordance with the terms thereof.

"FUNDING AGREEMENT PROVIDER" means Allstate Life Insurance Company, a stock life insurance company organized under the laws of the State of Illinois.

"FUNDING NOTE" has the meaning set forth in Part F of the Series Instrument.

"FUNDING NOTE INDENTURE TRUSTEE" means J.P. Morgan Trust Company, National Association, in its capacity as the funding note indenture trustee, and its successors.

"GLOBAL FUNDING" means Allstate Life Global Funding, a statutory trust formed under the laws of the State of Delaware and its successors.

"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, 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.

"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 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, the Person in whose name such Note is registered in the Note Register.

"HOLDER REPRESENTATIVE" has the meaning set forth in Section 5.8(a).

"INCORPORATED PROVISION" has the meaning set forth in Section 13.8.

"INDENTURE" means that certain Indenture included in Part A of the Closing Instrument, and which incorporates by reference these Standard Indenture Terms, between the Trust and the Indenture Trustee, as the same may

be amended, restated or supplemented from time to time.

"INDENTURE TRUSTEE" means J.P. Morgan Trust Company, National Association, and its successors.

"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 the Indenture or a Note Certificate of Supplemental Indenture.

"INITIAL REDEMPTION PERCENTAGE" has the meaning specified in the Note Certificate(s).

"INTEREST PAYMENT DATE" has the meaning specified in Section 2.8(a).

"INTEREST RESET DATE" has the meaning specified in the Note Certificate(s).

"LIBOR" has the meaning ascribed in the Note Certificate(s).

"LIBOR CURRENCY" means the currency specified in the Note Certificate(s) as to which LIBOR shall be calculated or, if no currency is specified in the applicable Note Certificate, 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 Trust 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.

"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.

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"MATURITY DATE" means, with respect to the principal (or any installment of principal) of the Notes, the Stated Maturity Date or any date prior to the Stated Maturity Date on which the principal (or such installment of principal) of the Notes becomes due and payable whether, as applicable, by the declaration of acceleration of maturity, notice of redemption at the option of the Trust, notice of the Holder's option to elect repayment or otherwise.

"NAME LICENSING AGREEMENT" means that certain Name Licensing Agreement included in Part D of the Series Instrument, between Allstate Insurance Company and the Trust, as the same may be amended, restated, modified, supplemented or replaced from time to time.

"NONRECOURSE PARTIES" has the meaning set forth in Section 13.1.

"NOTE" means each medium term note issued by the Trust and authenticated by the Indenture Trustee under the Indenture, each in an authorized denomination and represented, individually or collectively, by one or more Note Certificates.

"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 the obligations of the Trust secured under the Notes and the Indenture, including (a) all principal of, any premium and interest payable (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 Trust, whether or not allowed or allowable as a claim in any such proceeding) on, and any Additional Amounts with respect to, the Notes or pursuant to the Indenture, (b) all other amounts payable by the Trust under the Indenture or under the 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 Trust or the Indenture Trustee or who may be other 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" shall, subject to the provisions of Section 8.5, mean, as of any particular time, all Notes represented by Note Certificates executed by the Trust and authenticated and delivered by the Indenture Trustee under the 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; PROVIDED that if such Note is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in or pursuant to the Indenture, 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

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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 Trust).

"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 the Note Certificate(s).

"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.

"PRICING SUPPLEMENT" means the pricing supplement included as Annex A to the Series Instrument.

"PRINCIPAL AMOUNT" with respect to a Funding Agreement, has the meaning ascribed in such Funding Agreement.

"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 rands 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.

"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 Trust 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 the Notes, an amount equal to the Initial Redemption Percentage specified in the Note Certificate(s) (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount thereof to be redeemed.

"REGISTRAR" has the meaning specified in Section 2.6(a).

"REGULAR INTEREST RECORD DATE" has the meaning set forth in Section 2.8(a).

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"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 the Indenture or a 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, the 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 Trust, 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 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.

"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(a).

"SERIES INSTRUMENT" means the series instrument of the Trust, pursuant to which the Administrative Services Agreement, the Coordination Agreement, the Name Licensing Agreement, the Support Agreement, the Terms Agreement and the Trust Agreement are entered into, and certain other documents are executed, in connection with the issuance of the Notes by the Trust.

"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 the Indenture or 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(a).

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"SUPPORT AGREEMENT" means that certain Support and Expenses Agreement included in Part C of the Series Instrument, by and between the Funding Agreement Provider and the Trust, as the same may be amended, modified or supplemented 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).

"TERMS AGREEMENT" means that certain Terms Agreement included in Part E of the Series Instrument, by and among Global Funding, the Trust and each Agent named therein, which will incorporate by reference the terms of the Distribution Agreement.

"TRUST" means the Allstate Life Global Funding Trust specified in the Series Instrument, together with its permitted successors and assigns.

"TRUST AGREEMENT" means that certain Trust Agreement included in Part A of the Series Instrument, among the Delaware Trustee, the Administrator and the Trust Beneficial Owner.

"TRUST BENEFICIAL OWNER" means Global Funding, in its capacity as the sole beneficial owner of the Trust, and its successors.

"TRUST CERTIFICATE" means a certificate signed by the Administrator on behalf of the Trust and delivered to the Indenture Trustee. Each such certificate shall include the statements provided for in Section 13.5.

"TRUST INDENTURE ACT" shall mean the Trust Indenture Act of 1939, as amended.

"UCC" means the Uniform Commercial Code, as from time to time in effect in the State of New York; PROVIDED THAT, with respect to the perfection, effect of perfection or non-perfection, or priority of any security interest in the Collateral, "UCC" shall mean the applicable jurisdiction whose law governs such perfection, non-perfection or priority.

"UNITED STATES", except as otherwise provided in or pursuant to the 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 the 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 shall have the meanings given to them in accordance with United States generally

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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 of the Indenture;

- (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 the Indenture;
- (d) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation"; and
- (e) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting the Indenture or the intent of the parties.

## ARTICLE 2 THE NOTES

SECTION 2.1 AMOUNT UNLIMITED. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited.

SECTION 2.2 STATUS OF NOTES. The Notes constitute direct, unconditional, unsubordinated and secured non-recourse obligations of the Trust and rank equally among themselves.

SECTION 2.3 FORMS GENERALLY.

- (a) The Note Certificates, shall be in, or substantially in, the form set forth in Exhibit A-1, Exhibit A-2, Exhibit A-3 and Exhibit A-4 attached hereto, as applicable, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Indenture or as may in the Trust'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 Trust 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 Trust executing such Notes may determine.
- (c) The terms and provisions contained in the Note Certificates and in any Supplemental Indenture shall constitute, and are expressly made, a part of

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the Indenture and, to the extent applicable, the Trust and the



Indenture Trustee, by their execution and delivery of the 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, Notes will be denominated in, and payments of principal of, premium and interest on, and Additional Amounts in respect to, the Notes will be made in, U.S. dollars. The currency in which the Notes are 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 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 in the Indenture referred to as the "SPECIFIED CURRENCY".
- (b) The Trust appoints the Indenture Trustee as Exchange Rate Agent with respect to the Notes and the Indenture Trustee accepts such appointment.
- (c) 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 the control of the Trust, the Trust will be entitled to satisfy the obligations to the registered holders of 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.
- (d) Unless otherwise specified in the Note Certificates or in a Supplemental Indenture, Notes shall be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof or equivalent denominations in other currencies.
- (e) The Trust may (if so specified in a Note Certificate or Supplemental Indenture) without the consent of the Holder of any Note, redenominate all, but not less than all, of the Notes on or after the date on which the member state of the European Union in whose national currency the 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 a Note Certificate or Supplemental Indenture.

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- (f) Unless otherwise specified in a Note Certificate or Supplemental Indenture, the Trust 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 Trust by any Responsible Officer of the Delaware Trustee. The signature of any Responsible Officer of the Delaware Trustee 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 Delaware Trustee shall bind the Trust, 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 the Indenture, the Trust may deliver Note Certificates executed by or on behalf of the Trust to the Indenture Trustee for authentication, and the Indenture Trustee shall thereupon authenticate and deliver such Note Certificates as provided in the 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 Trust, to the effect that the issuance of the Notes will adversely affect the Indenture Trustee's own rights, duties or immunities under the Indenture.
- (e) The Note Certificates shall be dated the date of their

authentication.

- (f) No Note shall be entitled to any benefit under the 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 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 under the Indenture.

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, the Indenture Trustee will cause to be kept at the Corporate Trust Office of the Indenture Trustee a register (the "NOTE REGISTER") in which, subject to such reasonable regulations as it may

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prescribe, the Indenture Trustee will provide for the registration of the Notes and of transfers of the Notes. The 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 a 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 a Note Certificate or Supplemental Indenture, the Delaware Trustee, on behalf of the Trust 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 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 in an aggregate principal amount 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 a Note Certificate or Supplemental Indenture. Whenever any Note Certificate is so surrendered for exchange, the Delaware Trustee, on behalf of the Trust 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 Trust, evidencing the same debt, and entitled to the same benefits under the Indenture, as the Note Certificates surrendered in connection with any such transfer or exchange. Upon surrender, transfer or exchange of a Note Certificate pursuant to this Section 2.6, each 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 a 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.

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- (e) Every Note Certificate presented or surrendered in connection with any transfer or exchange shall (if so required by the Trust or the Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the

Trust 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 Trust or the Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Notes or exchange of Note Certificates.
- (g) Except as otherwise provided in or pursuant to the Indenture, the Trust 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 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 Trust 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 Trust, or the Indenture Trustee and the Trust receive evidence to their satisfaction of the destruction, loss or theft of any Note Certificate, and (ii) there is delivered to the Trust 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 Trust or the Indenture Trustee that such Note Certificate has been acquired by a protected purchaser, the Trust 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 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 Trust in its discretion may, instead of issuing a new Note

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Certificate, pay such amounts in respect of the Notes represented by such Note Certificate.

- (c) Upon the execution, authentication and delivery of any new Note Certificate under this Section, the Indenture Trustee or the Trust 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.
- (d) The Notes represented by 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 Trust, whether or not any obligation with respect to the Notes represented by 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 the Indenture equally and proportionately with any and all other Notes duly issued under the Indenture.
- (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 which is payable, on any interest payment date specified in the Note Certificates or in any Supplemental Indenture (each such date, an "INTEREST PAYMENT DATE") shall be paid to the Holder of such Note at the close of business on the date specified as the regular interest record date in the Note Certificates or Supplemental Indenture (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, any interest on, and any Additional Amounts with respect to, any Note which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date specified in the Note Certificates or Supplemental Indenture (the "DEFAULTED INTEREST") shall forthwith cease to be payable to the Holder of such Note on the relevant Regular Interest Record Date by virtue of having been such Holder, and such Defaulted Interest shall be paid by the Trust to the Holder of such Note at the close of business on a special record date (the "SPECIAL INTEREST RECORD DATE")

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established by the Trust by notice to each applicable Holder and the Indenture Trustee in accordance with Section 13.4, 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 delivered to the Indenture Trustee and, if not already cancelled, shall be promptly cancelled by it. The Trust may at any time deliver to the Indenture Trustee for cancellation any Note Certificate previously authenticated and delivered under the Indenture which the Trust 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 the Indenture. The Indenture Trustee shall destroy all cancelled Note Certificates held by it and deliver a certificate of destruction to the Trust. If the Trust 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 the Indenture, the term "EXCHANGE EVENT" means any of the following:
  - (i) the Depository with which any Global Security is deposited shall have notified the Trust that it is unwilling or unable to continue as the Depository for any Global Security or the Trust becomes aware that the Depository has ceased to be a clearing agency registered under the Exchange Act and, in any such case, the Trust fails to appoint a successor to the Depository within 60 calendar days;
  - (ii) the Trust, in its sole discretion, determines that the Notes should no longer be represented solely by one or more Global Securities; or
  - (iii) an Event of Default shall have occurred and be continuing with respect to the Notes.

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- (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 Delaware Trustee, on behalf of the Trust

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 Depositary or its nominee, against surrender by the applicable Depositary or its nominee of such Global Security, which shall thereupon be cancelled by the -----, a Definitive Security or a Definitive Securities each representing such number of Notes as may be specified by the applicable Depositary in an aggregate principal amount equal to the (Outstanding principal amount of Notes that shall have been represented by such Global Security and shall register the Certificated Notes in such names and in such authorized denominations as may be specified by the Depositary for the Global Security; and

- (ii) 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 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 the 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 Depositary shall instruct the Registrar.

SECTION 2.11 WITHHOLDING TAX. 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

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behalf of any governmental authority in the United States having the power to tax payments on the notes unless the withholding or deduction is required by law. Unless otherwise specified in the Note Certificate(s), the Trust will not pay any Additional Amounts to Holders 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 or repay the Notes and shall not constitute an Event of Default.

SECTION 2.12 TAX TREATMENT. The parties agree, and each Holder and beneficial owner of Notes by purchasing the Notes agrees, for all United States Federal, state and local income and franchise tax purposes (i) to treat the Notes as indebtedness of the Funding Agreement Provider, (ii) Global Funding and the Trust will be ignored and will not be treated as an association or a publicly traded partnership taxable as a corporation and (iii) to not take any action inconsistent with the treatment described in (i) and (ii) unless otherwise required by law.

### ARTICLE 3

#### REDEMPTION, REPAYMENT AND REPURCHASE OF NOTES; SINKING FUNDS

##### SECTION 3.1 REDEMPTION OF NOTES.

- (a) Redemption of Notes by the Trust as permitted or required by the Indenture and the Note Certificate(s) will be made in accordance with the terms of the Notes and (except as otherwise provided in the Indenture or pursuant to the Indenture) this Section.
- (b) If any Initial Redemption Date is specified in the Note Certificate(s), the Trust may redeem Notes 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 of \$1,000 or any other integral multiple of an authorized denomination of the Notes 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 Trust is required at any time to pay Additional Amounts or if the Trust is obligated to withhold or deduct any United States taxes with respect to any payment under the Notes, as set forth in the Note Certificate(s), or if there is a material probability that the Trust 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's or the Trust's receipt of a written adjustment from the Internal Revenue Service in connection with an audit) (a "TAX EVENT"), and (ii) the Funding

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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 the terms of such Funding Agreement, then the Trust will redeem the 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, the Trust shall provide to the Indenture Trustee a notice of redemption of any Notes (i) in case of any redemption at the election of the Trust, not more than 60 days nor less than 35 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 Trust of less than all of the Notes such notice shall specify the aggregate principal amount of the Notes to be redeemed.
- (e) If less than all of the Notes are to be redeemed at the option of the Trust, 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 not previously called for redemption, by such method as the Indenture Trustee shall deem fair and appropriate, acting in accordance with its obligations under the Indenture, and which may provide for the selection for redemption of portions of the principal amount of Notes; PROVIDED, HOWEVER, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than the minimum denomination for a Note established in or pursuant to the Indenture; PROVIDED FURTHER, that if at the time of redemption such Notes are registered as Global Securities, the Depository shall determine, in accordance with its procedures, the principal amount of such Notes to be redeemed by each of the Depository's participants. The Indenture Trustee shall promptly notify the Trust 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, of the aggregate principal amount thereof to be redeemed. For all purposes of the 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 in the Indenture or the Note Certificate(s) the Trust shall give a notice of redemption to each Holder of the Notes to be redeemed at the Trust's option (i) in case of any redemption at the election of the Trust, 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, that in the case of any notice of redemption

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given pursuant to clause (ii) no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the

Trust 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 Note or any portion thereof.

Any notice that is mailed to the Holder of any Notes in the manner provided for in Section 13.4 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 or, if not then ascertainable, the manner of calculation thereof,
- (iii) in case of any redemption at the election of the Trust, if less than all Outstanding Notes 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 Trust, 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,
- (vi) the place or places where each 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 Trust, that the redemption is for a sinking fund, and
- (viii) the CUSIP number or any other numbers used to identify such Notes.

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- (g) On or prior to any Redemption Date, the Trust shall deposit, with respect to any Notes 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 in the Note Certificate(s)) 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) On the Redemption Date, the Notes to be redeemed shall, 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 Trust 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 Trust at the Redemption Price, together with any unpaid interest accrued thereon through the Redemption Date and any Additional Amounts payable with respect thereto.
- (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 the Note Certificate(s).

Upon surrender of any Note Certificate for partial redemption of any Note

or Notes represented thereby in accordance with this Section, the Trust shall execute and the Indenture Trustee shall authenticate and deliver one or more new Note Certificates of any authorized denomination representing an aggregate principal amount of Notes 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 the Note Certificate(s), the Holder or Holders of the Notes may require the Trust to repay the Notes prior to the 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 Note Certificate(s) (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto).
- (b) Notes which are repayable at the option of the Holder or Holders thereof before the Stated Maturity Date shall be repaid in accordance with the terms of the Notes.

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- (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 the Stated Maturity Date shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Notes unless and until the Trust, at its option, shall deliver or surrender each Note Certificate representing such Notes to the Indenture Trustee with a directive that such Note Certificates be cancelled.
- (d) Notwithstanding anything to the contrary contained in this Section, in connection with any repayment of Notes, the Trust 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 Trust on repayment of such Notes, and the obligation of the Trust 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.

#### SECTION 3.3 REPURCHASE OF NOTES.

(a) The Trust may purchase some or all Notes in the open market or otherwise at any time, and from time to time, with the prior written consent of the Funding Agreement Provider as to both the making of such purchase and the purchase price to be paid for such Notes.

(b) If the Funding Agreement Provider, in its sole discretion, consents to such purchase of Notes by the Trust, the parties to the Indenture agree to take such actions as may be necessary or desirable to effect the prepayment of such portion, or the entirety, of the current Principal Amount, under each applicable Funding Agreement as may be necessary to provide for the payment of the purchase price for such Notes. Upon such payment, the Principal Amount under each Funding Agreement shall be reduced (i) if Notes bear interest at fixed or floating rates, by an amount equal to the aggregate principal amount of Notes so purchased (or the portion thereof applicable to such Funding Agreement) and (ii) if Notes do not bear interest at fixed or floating rates, by an amount to be agreed between the Trust and the Funding Agreement Provider to reflect such prepayment under the Funding Agreement(s).

(c) The parties acknowledge and agree that (i) notwithstanding anything to the contrary in the Indenture, any repurchase of Notes in compliance with this Section 3.3 shall not violate any provision of the Indenture or the Trust Agreement and (ii) no Opinion of Counsel, Trust Certificate or any other document or instrument shall be required to be provided in connection with any repurchase of Notes pursuant to this Section 3.3.

(d) If applicable, the Trust will comply with the requirements of Section 14(e) of the Exchange Act, and the rules promulgated thereunder, and any other applicable securities laws or regulations in connection with any repurchase pursuant to this Section 3.3.

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#### SECTION 3.4 SINKING FUNDS.

Unless otherwise provided in the Note Certificate(s), the Notes will not be subject to, or entitled to the benefit of, any sinking fund.



SECTION 4.1 PAYMENT OF PRINCIPAL AND INTEREST.

- (a) The Trust will 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, in accordance with the terms of the Notes and the Indenture.
- (b) Unless otherwise specified in the Note Certificate(s), 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). 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. Unless otherwise specified in the Note Certificate(s), 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 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 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 entitled thereto (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 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

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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) Unless otherwise specified in the Note Certificate(s), 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 account of the Depository or its nominee at the close of business on the applicable Maturity Date. 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. Unless otherwise specified in the Note Certificate(s), upon the receipt of the funds necessary therefor in accordance with Section 4.4(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, to the account of the Depository or its nominee.
- (d) Unless otherwise specified in the Note Certificate(s), the Trust 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 Trust in the Specified

Currency will be converted by the Exchange Rate Agent into United States dollars for payment to the Holder or Holders thereof unless otherwise specified in the Note Certificate(s) 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 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 Trust 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 Foreign Currency Notes scheduled to receive United States dollar payments and at which the

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applicable dealer commits to execute a contract. All currency exchange costs will be borne by the relevant Holder or Holders 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 15 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 15 calendar days prior to the Maturity Date, as the case may be.
- (g) Unless otherwise specified in the Note Certificate(s), 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 Depositary of its election on or prior to the applicable Regular Interest Record Date or Special Interest Record Date, or at least 15 calendar days prior to the Maturity Date, as the case may be, and the Depositary will notify the Indenture Trustee of that election on or prior to the third Business Day after the applicable Regular Interest Record Date or Special Interest Record Date, or at least 12 calendar days prior to the Maturity Date, as the case may be. If complete instructions are received by the Depositary 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 Trust's control, the Trust 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

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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 remain Outstanding, the Trust will maintain in New York and in any other city that may be required by any stock exchange on which the Notes may be listed, and

in any city specified in the Note Certificate(s) the following: (i) an office or agency where the Notes may be presented for payment, (ii) an office or agency where the Notes may be presented for registration of transfer and for exchange as provided in the Indenture and (iii) an office or agency where notices and demands to or upon the Trust in respect of the Notes or of the Indenture may be served. The Trust 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 Trust initially designates the Corporate Trust Office of the Indenture Trustee as the office or agency for each such purpose. In case the Trust 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 APPOINTMENT TO FILL A VACANCY IN OFFICE OF INDENTURE TRUSTEE.** The Trust, 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 under the Indenture.

**SECTION 4.4 PAYING AGENTS.**

(a) The Trust appoints the Indenture Trustee as Paying Agent with respect to the Notes and the Indenture Trustee accepts such appointment. The Indenture Trustee, in its capacity as Paying Agent, agrees, and, whenever the Trust shall appoint a Paying Agent other than the Indenture Trustee with respect to the Notes, the Trust will cause such Paying Agent to execute and deliver to the Trust and the Indenture Trustee an instrument in which such Paying Agent shall agree with the Trust 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 (whether such sums have been paid to it by the Funding Agreement Provider, the Trust or by any other obligor on the Notes) in trust for the benefit of each Holder of the Notes 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 Collateral for the benefit of the Holders of Notes in a segregated non-interest bearing account maintained or controlled by the Indenture Trustee, consistent with the rating of the Outstanding Notes;

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(ii) give the Indenture Trustee notice of any failure by the Trust (or by any other obligor on the Notes) to make any payment of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Notes 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 the Indenture and the terms of the Notes; and

(v) comply with all agreements of Paying Agents in, and perform all functions and obligations imposed on Paying Agents by or pursuant to, the Indenture and a Note Certificate or Supplemental Indenture.

(b) The Trust will, at or prior to 9:30 a.m. (New York City time) on each due date of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Notes, 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 Trust will promptly notify the Indenture Trustee of any failure to take such action.

(c) Anything in this Section to the contrary notwithstanding, the Trust may at any time, for the purpose of obtaining a satisfaction and discharge of the Notes under the Indenture, pay or cause to be paid to the Indenture Trustee all sums held in trust by the Trust or any Paying Agent under the Indenture, as required by this Section, such sums to be held by the Indenture Trustee upon the terms contained in the Indenture; PROVIDED, HOWEVER, in order to obtain such satisfaction or discharge of the

Notes, that such sums paid to the Indenture Trustee must be at least equal to the amounts due and owing on the Notes, including outstanding principal, premium, accrued but unpaid interest and Additional Amounts.

- (d) 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.
- (e) 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 Agreement(s) from United States Federal income tax withholding, (ii) withhold and pay over to the Internal Revenue Service or other taxing

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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 Trust and the Funding Agreement Provider.

- (f) Each Paying Agent shall forward to the Trust at least monthly a bank statement in its possession with respect to the performance of its functions and obligations with respect to any Notes.
- (g) The Trust shall pay the compensation of each Paying Agent at such rates as shall be agreed upon in writing by the Trust 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 Trust shall reasonably require.
- (h) 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 Trust and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent) of such intention on it part, specifying the date on which its resignation shall become effective. Except as provided below, the Trust 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 Trust 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 timely receives any amount with respect to any Notes and fails duly to pay any such amounts when due and payable in accordance with the terms of the Indenture and such 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 Trust agrees with each Paying Agent that if, by the day falling 10 days before the expiration of any notice given pursuant to this Section 4.4(i), the Trust has not appointed a replacement Paying Agent, then the Paying Agent shall be entitled, on behalf of the Trust, to appoint in its place a reputable financial institution of good standing reasonably acceptable to the Trust 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

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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 4.4(h) up to the effective date of such resignation or removal.

- (i) If at any time a Paying Agent shall resign or be removed, or shall become incapable of acting with respect to the 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 Trust 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 the Indenture or a 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 under the Indenture.

- (j) Any successor Paying Agent appointed under the Indenture shall execute and deliver to its predecessor, the Trust and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent) a reasonably acceptable instrument accepting such appointment under the Indenture, 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 under the Indenture, and such predecessor, upon payment of any amounts due pursuant to Section 4.4(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.
- (k) 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 the Indenture without the execution or filing of any paper or any further act on the part of any of the parties, anything in the Indenture to the contrary notwithstanding. At least 30 days' prior notice of any such merger, conversion or consolidation shall be given to the Trust and the Indenture Trustee (unless the Indenture Trustee is such Paying Agent).

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#### SECTION 4.5 CALCULATION AGENT.

- (a) The Trust appoints the Indenture Trustee as Calculation Agent, and the Indenture Trustee accepts such appointment.
- (b) The relevant Calculation Agent shall perform all functions and obligations imposed on such Calculation Agent by or pursuant to the Indenture, and a Note Certificate or Supplemental Indenture.
- (c) Each Calculation Agent, excluding the Indenture Trustee, shall forward to the Trust at least monthly a report providing details with respect to the performance of its functions and obligations with respect to the 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 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 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 Notes.
- (f) The Trust shall pay the compensation of each Calculation Agent at such rates as shall be agreed upon in writing by the Trust 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 Trust shall reasonably require. The Trust also agrees to indemnify each Calculation Agent 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 its duties under the Indenture, 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 under the Indenture.

- (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 Trust 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 Trust 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:

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- (i) the appointment by the Trust 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 Trust agrees with each Calculation Agent that if, by the day falling 10 days before the expiration of any notice given pursuant to this Section 4.5(g), the Trust has not appointed a replacement Calculation Agent, then the Calculation Agent shall be entitled, on behalf of the Trust, to appoint in its place a reputable financial institution of good standing reasonably acceptable to the Trust 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 4.5(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 4.5(f) 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 the 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 Trust 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 under the Indenture.
- (i) Any successor Calculation Agent appointed under the Indenture shall execute and deliver to its predecessor, the Trust and the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent) a reasonably acceptable instrument, accepting such appointment under the Indenture, and thereupon such successor Calculation Agent, without any further act,

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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 under the Indenture, and such predecessor, upon payment of any amounts due pursuant to Section 4.5(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 substantially all of the paying agency business of such Calculation Agent shall be a successor Calculation Agent under the Indenture without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything in the Indenture to the contrary notwithstanding. At least 30 days' prior notice of any such merger, conversion or consolidation shall be given to the Trust and the Indenture Trustee (unless the Indenture Trustee is such Calculation Agent).

SECTION 4.6 CERTIFICATE TO INDENTURE TRUSTEE. The Trust 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 Trust'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 4.7 NEGATIVE COVENANTS. So long as any Notes are Outstanding, the Trust will not, except as otherwise expressly permitted under the Indenture 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 and the 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, the Terms Agreement and each Funding Agreement; the issuance and sale of any Notes pursuant to the Indenture; and the transactions contemplated by, and the activities necessary or incidental to, any of the foregoing;
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- (iii) incur, directly or indirectly, any Debt except for the Notes or as otherwise contemplated under the Indenture or under the Trust Agreement;
  - (iv) (A) permit the validity or effectiveness of the Indenture or the Security Interest securing the Notes 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, 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) on any of its properties or assets (whenever 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;
  - (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 the Indenture or the relevant Funding Agreement(s);
  - (vi) own any subsidiary or lend or advance any funds to, or make any investment in, any Person, except for (A) the investment of any funds of the Trust in the Funding Note and (B) the investment of any funds of the Trust held by the Indenture Trustee, a Paying Agent, the Delaware Trustee or the Administrator as provided in the 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 Trust 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 Trust 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

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- 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 Trust 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 Trust 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(s) by the Trust to the Indenture Trustee in accordance with the terms of such Funding Agreement(s) and the Indenture and the Trust has taken such other steps as may be necessary to cause the Security Interest in or assignment for all collateral purposes of, the Collateral to be perfected for purposes of the UCC or effective against its creditors and subsequent purchasers of the Collateral pursuant to insurance or other state laws;
  - (xii) make any deduction or withholding from any payment of principal of or interest on the 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 the Collateral except to the extent specified in the Indenture or a Note Certificate or Supplemental Indenture;
  - (xiii) have any employees other than the Delaware Trustee and the Administrator or any other persons necessary to conduct its business and enter into transactions contemplated under the Indenture, the Trust Agreement, the Administrative Services Agreement, the Distribution Agreement, the Support and Expenses Agreement, the Terms Agreement, the Funding Note or any Funding Agreement;
  - (xiv) have an interest in any bank account other than the accounts contemplated under the Indenture, the Trust Agreement, the Terms 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 Trust therein shall be charged or otherwise secured in favor of the Indenture Trustee on terms acceptable to the Indenture Trustee;
  - (xv) permit any Affiliate, employee or officer of the Funding Agreement Provider or any Agent to be a trustee of the Trust in respect of the Notes; or

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- (xvi) commingle any of its assets with any assets of any of the Trust's Affiliates, or guarantee any obligation of any of the Trust's Affiliates.

#### SECTION 4.8 ADDITIONAL AMOUNTS.

If the Note Certificate(s) provide for the payment of Additional Amounts, the Trust agrees to pay to the Holder of any such Note Additional Amounts as provided in the Note Certificate(s). Whenever in the Indenture there



is mentioned, in any context, the payment of the principal of, or interest or premium on, or in respect of, any Note or the net proceeds received on the sale or exchange of any Note, such reference shall be deemed to include reference to the payment of Additional Amounts provided by the terms established by the Indenture or pursuant to the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to such terms, and express reference to the payment of Additional Amounts in any provision of the Indenture shall not be construed as excluding Additional Amounts in those provisions hereof where such express reference is not made.

If the Note Certificate(s) provide for the payment of Additional Amounts, the Note Certificate will provide that the Trust 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 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 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 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 the purchase by the Holder of the Notes;

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- (b) 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;
- (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 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;
- (d) any inheritance, gift, estate, personal property, sales, transfer or similar tax, duty, levy, assessment, or similar governmental charge;
- (e) any tax, duty, levy, assessment or other governmental charge that is payable otherwise than by withholding from payments in respect of the Notes;
- (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 provided that such treatment was described in the Pricing Supplement;
- (g) any tax, duty, levy, assessment or other governmental charge that would not have been imposed but for an election by the Holder of the Note, the effect of which is to make payment in respect of

the Notes subject to United States Federal income tax or withholding tax provisions; 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 the Notes wherever used in the Indenture, 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):

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- (i) default in the payment when due and payable of the principal of, or any premium on, any Note;
- (ii) default in the payment, when due and payable, of any interest on, or any Additional Amounts with respect to, any Note 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, by the Funding Agreement Provider under such Funding Agreement or any Event of Default (as defined in the applicable funding note) under the applicable funding note;
- (iv) the Trust shall fail to observe or perform any covenant contained in the Notes 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" under the Indenture and demanding that the Trust remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Trust by the Indenture Trustee, or to the Trust and the Indenture Trustee by the Holder or Holders of at least 25% in aggregate principal amount of the Notes Outstanding; or
- (v) 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; 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 and any other Person for whose benefit the Indenture Trustee is or will be holding the Collateral, that the 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 Trust seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, reorganization or other similar law 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 undismitted and unstayed for a period of 60 days; or an order for relief shall be entered against the Trust under the Federal bankruptcy laws as now or hereafter in effect;
- (vii) the Trust 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

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or other similar law 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

(viii) any other Event of Default provided in any Supplemental Indenture or in a Note Certificate.

- (b) If one or more Events of Default shall have occurred and be continuing with respect to the Notes, then, and in every such event, unless the principal of all of the Notes 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 Outstanding under the Indenture by notice in writing to the Trust (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, 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 Trust, or if any Event of Default specified in Section 5.1(a)(iii) that would cause any Funding Agreement securing the Notes to become immediately due and payable occurs with respect to the Funding Agreement Provider, then without any notice to the Trust or any other act by the Indenture Trustee or any Holder of any Notes, the entire principal and premium (if any) of all the Notes, 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 Trust.
- (c) Notwithstanding Section 5.1(b), if at any time after the principal and premium of the Notes, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto 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 provided in the Indenture, the Trust shall pay or shall 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 to, the Notes and the principal and premium (if any) of any and all Notes 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

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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 each Note Certificate 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 (if any) on the Notes which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided in the Indenture, then and in every such case the Holder Representative (as defined in Section 5.8(a) hereof), by written notice to the Trust 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 Trust will, upon demand by the Indenture Trustee, pay to the Indenture Trustee for the benefit of each Holder of the Notes 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 (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); and in addition thereto, such 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 Trust 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 to the Holders, whether or not the Notes be overdue.
- (c) If the Trust 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

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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 Trust or other obligor upon the Notes and collect in the manner provided by law out of the property of the Trust or other obligor upon the Notes, wherever the funds adjudged or decreed to be payable are situated. If there shall be pending proceedings relative to the Trust or any other obligor upon the Notes 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 Trust or its property or such other obligor, or in case of any other comparable judicial proceedings relative to the Trust or other obligor upon the Notes, or to the creditors or property of the Trust or such other obligor, the Indenture Trustee, irrespective of whether the principal of the Notes 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 Indenture Trustee's negligence or bad faith) and of the Holders allowed in any judicial proceedings relative to the Trust or other obligor upon the Notes, or to the creditors or property of the Trust or such other obligor,
- (ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of the Notes 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

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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 in the Indenture 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 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 the Indenture, or under any of the Notes, may be enforced by the Indenture Trustee without the possession of any of the Notes 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.
- (f) In any proceedings brought by the Indenture Trustee (and also any proceedings involving the interpretation of any provision of the Indenture to which the Indenture Trustee shall be a party) the Indenture Trustee shall be held to represent every Holder of the Notes, and it shall not be necessary to make any Holder of the Notes 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 any applicable Supplemental Indenture in respect of the Notes 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 Note Certificates representing the Notes 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 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, in an aggregate amount of no more than \$250,000 to the extent not paid pursuant to the Support Agreement;

SECOND: To the payment of principal, any premium and interest, any Additional Amounts and any other amounts then due and owing on the Notes, ratably, without preference or priority of any kind, according to the aggregate principal amounts due and payable on the Notes;

THIRD: To the payment of any other Obligations then due and owing with respect to the Notes, ratably, without preference or priority of any kind; and

FOURTH: To the payment of any remaining balance to the Trust.

- (b) Any funds collected by the Indenture Trustee where no Event of Default exists pursuant to Article 5 or otherwise under the Indenture and any applicable Supplemental Indenture in respect of the Notes 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 or Note Certificates

representing the Notes and the notation thereon of the payment if only partially paid or upon the surrender thereof if fully paid:

FIRST: To the payment of principal, any premium and interest, any Additional Amounts, and any other amounts then due and owing on the Notes, ratably, without preference or priority of any kind, according to the aggregate principal amounts due and payable on the Notes;

SECOND: To the payment of any other Obligations then due and owing with respect to the Notes, ratably, without preference or priority of any kind; and

THIRD: To the payment of any remaining balance to the Trust.

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 the 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 the Indenture or in aid of the exercise of any power granted in the Indenture or to enforce any other legal or equitable right vested in the Indenture Trustee by the Indenture or by law.

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SECTION 5.5 RESTORATION OF RIGHTS ON ABANDONMENT OF PROCEEDINGS. If the Indenture Trustee shall have proceeded to enforce any right under the 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 Trust and the Indenture Trustee shall be restored respectively to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trust, 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 shall have any right by virtue or by availing of any provision of the Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to the Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy under the Indenture, 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 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;
- (iii) 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;
- (iv) 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
- (v) 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% of the aggregate principal amount of the Notes then Outstanding;

it being understood and intended, and being expressly covenanted by each Holder of a Note with each other Holder of a Note and the Indenture Trustee, 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, or to obtain or seek to obtain priority over or preference to any other Holder of any Note or to enforce any right under the Indenture, except in the manner provided herein and for the equal, ratable and common benefit of all the Holders of the Notes. 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 the Indenture, however, the right of any Holder of any Note, which is absolute and unconditional, to receive payment of the principal of (and

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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 in the Indenture 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 under the Indenture or existing at law or in equity or otherwise. The assertion or employment of any right or remedy under the Indenture, 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 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 power and remedy given by the 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 at the time Outstanding shall have the right to elect a holder representative (the "HOLDER REPRESENTATIVE") who shall have binding authority upon all the Holders and who shall 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:
  - (i) such direction shall not be otherwise than in accordance with law and the provisions of the 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

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the action or proceedings so directed would involve the Indenture Trustee in personal liability.

- (b) 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 Holders.

SECTION 5.9 WAIVER OF PAST DEFAULTS. Prior to the declaration of the maturity of the Notes as provided in Section 5.1, the Holder Representative may on behalf of the Holders of all the Notes waive any past default or Event of Default under the Indenture 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; or
- (ii) in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each Note.

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 the Indenture; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 6.1 CERTAIN DUTIES AND RESPONSIBILITIES.

- (a) Except if an Event of Default has occurred and is continuing (and it has not been cured or waived), the Indenture Trustee undertakes to perform such duties and only such duties with respect to such Notes as are specifically set forth in the Indenture. No implied covenants or obligations shall be read into the Indenture against the Indenture Trustee.
- (b) If an Event of Default has occurred and is continuing (and it has not been cured or waived), the Indenture Trustee shall exercise such of the rights and powers with respect to the Notes vested in it by the 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 the 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:

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- (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 the 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 the 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 Trustee, unless it is 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 Representative 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
  - (v) no provision of the 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 under the Indenture, 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 the 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;

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- (b) any request, direction, order or demand of the Trust mentioned in the Indenture shall be sufficiently evidenced by a Trust Certificate (unless other evidence in respect thereof be



specifically prescribed in the Indenture);

- (c) the Indenture Trustee may consult with counsel and any advice of such counsel or any 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 under the Indenture 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 the Indenture at the request, order or direction of any Holder Representative pursuant to the provisions of the Indenture, unless such Holder Representative shall have offered to the Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request, order or direction;
- (e) whenever in the administration of the 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 under the Indenture, such matter (unless other evidence in respect thereof be specifically prescribed in the Indenture) may, in the absence of negligence or bad faith on its part, be deemed to be conclusively proved and established by a Trust 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 the 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 Representative; 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 the 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 Trust or, if paid by the Indenture Trustee or any predecessor trustee, shall be repaid by the Trust upon demand; and

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- (h) the Indenture Trustee may execute any of the trusts or powers under the Indenture or perform any duties under the Indenture 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 under the Indenture.

SECTION 6.3 NOT RESPONSIBLE FOR RECITALS, VALIDITY OF THE NOTES OR APPLICATION OF THE PROCEEDS. The recitals contained in the Indenture and in the Notes, except the Indenture Trustee's certificates of authentication, shall be taken as the statements of the Trust, 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 the Indenture or of the Notes, or of any Funding Agreement, or of the Collateral. The Indenture Trustee shall not be accountable for the use or application by the Trust of any of the Notes, the Funding Agreement or of the proceeds thereof.

SECTION 6.4 MAY HOLD NOTES; COLLECTIONS, ETC. The Indenture Trustee or any agent of the Trust or the Indenture Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not the Indenture Trustee or such agent and, subject to Section 6.7 and Section 311(a) of the Trust Indenture Act, may otherwise deal with the Trust, the Administrator, the Funding Agreement Provider and any other interested party, and receive, collect, hold and retain collections from the Trust 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 provided in the Indenture, 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 Collateral for the benefit of the Holders

of Notes in a segregated account maintained or controlled by the Indenture Trustee, consistent with the rating of the Outstanding Notes. Neither the Indenture Trustee nor any agent of the Trust or the Indenture Trustee shall be under any liability for interest on any funds received by it under the Indenture.

SECTION 6.6 COMPENSATION; REIMBURSEMENT; INDEMNIFICATION.

- (a) The Trust covenants and agrees:
- (i) to pay to the Indenture Trustee from time to time, and the Indenture Trustee shall be entitled to, the compensation specified on Annex A to the Closing Instrument for all services rendered by it under the Indenture (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
  - (ii) to pay or reimburse the Indenture Trustee upon its request for all expenses, disbursements and advances specified on Annex A to the Closing Instrument incurred or made by the Indenture

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Trustee in accordance with any provision of the 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 the Indenture or the trusts under the Indenture and its duties under the Indenture, 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 under the Indenture.
- (b) The obligations of the Trust 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 under the Indenture and shall survive the satisfaction and discharge of the Indenture and any resignation or removal of the Indenture Trustee.

SECTION 6.7 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

- (a) There shall at all times be an Indenture Trustee under the Indenture which shall:
- (i) be a national banking association or a banking corporation authorized under its laws of incorporation and the laws of the jurisdiction in which it administers the 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 Trust or with any Person involved in the organization or operation of the Trust; and
  - (iii) not offer or provide credit or credit enhancement to the Trust.
- (b) If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 6.7(a) or the requirements of Section 310 of

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the Trust Indenture Act, the Indenture Trustee shall resign promptly 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 by giving not less than 90 days' prior written notice of resignation to the Trust and to the Holders of Notes as provided in the Indenture. Upon receiving such notice of resignation, the Trust shall promptly cause a successor trustee to be appointed by written instrument in duplicate, executed by the Trust, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor indenture trustee. If no successor trustee shall have been so appointed 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 indenture 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 the requirements of Section 310(a) of the Trust Indenture Act or any applicable Supplemental Indenture and shall fail to resign pursuant to Section 6.7(b) or following written request therefor by the Trust or by any such Holder pursuant to Section 6.8(c);
  - (ii) the Indenture Trustee shall become incapable of acting with respect to the 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 the Notes after written request therefor by the Trust or any Holder of a Note who has been a bona fide Holder of a Note for at least six months;

then, in any such case, except during the existence of an Event of Default, the Trust may remove the Indenture Trustee and appoint a successor trustee 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 Trust under Sections 6.8(a) and 6.8(b),

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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.

- (d) The Holder Representative may at any time remove the Indenture Trustee and appoint a successor trustee by delivering to the Indenture Trustee so removed, to the successor trustee so appointed and to the Trust 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 and any appointment of a successor trustee pursuant to any of the provisions of this Section 6.8 shall only become effective upon acceptance of appointment by the successor trustee as provided in

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 Trust and to its predecessor indenture trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor indenture trustee shall become effective and such successor indenture trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations of its predecessor under the Indenture, with like effect as if originally named as indenture trustee under the Indenture; but, nevertheless, on the written request of the Trust or of the successor indenture trustee, upon payment of its charges then unpaid, the indenture trustee ceasing to act shall, subject to Section 11.4, pay over to the successor indenture trustee all funds at the time held by it under the Indenture and shall execute and deliver an instrument transferring to such successor indenture trustee all such rights, powers, duties and obligations. Upon request of any such successor indenture trustee, the Trust shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor indenture trustee all such rights and powers. Subject to the Lien created under the Indenture, any indenture trustee ceasing to act shall, nevertheless, retain a claim upon all property or funds held or collected by such indenture trustee to secure any amounts then due it pursuant to the provisions of Section 6.6.
- (b) Upon acceptance of appointment by a successor Indenture Trustee as provided in this Section 6.9, the Trust shall notify each Holder of any Note and each rating agency then rating any Notes at the request of the Trust. If

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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 Trust 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 Trust.

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 the 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 to the Indenture, anything in the Indenture to the contrary notwithstanding.
- (b) In case at the time such successor to the Indenture Trustee shall succeed to the trusts created by the Indenture any of the Note Certificates 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 Note Certificates so authenticated; and, in case at that time any of the Note Certificates shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Note Certificates either in the name of any predecessor under the Indenture 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 Note Certificates 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.

SECTION 7.1 TRUST TO FURNISH INDENTURE TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

In accordance with Section 312(a) of the Trust Indenture Act, the Trust shall furnish or cause to be furnished to the Indenture Trustee:

- (a) semi-annually 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

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Supplemental Indenture, 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 Trust 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 Trust and the Indenture Trustee that neither the Trust, 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 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 the Indenture.
- (b) The Indenture Trustee shall transmit the reports required by Section 313(a) of the Trust Indenture Act at the time specified therein.
- (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 Trust. The Trust

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will notify the Indenture Trustee whether the Notes are listed on any stock exchange.

- (f) The Trust shall furnish to the Indenture Trustee at least annually, 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, filing, re-recording and re-filing of the Indenture, as is necessary to maintain the Security Interest of the 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 maintain the Security Interest.

Pursuant to Section 314(a) of the Trust Indenture Act, the Trust shall:

- (a) file, or cause to be filed, with the Indenture Trustee, within 15 days after the Trust or Global Funding is required to file the same with the Commission and to the extent available to the Trust, copies of the annual reports and of 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 Trust or Global Funding may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Trust is not required to file information, documents or reports pursuant to either of said Sections, then it shall file, or cause to be filed, 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; PROVIDED that if, pursuant to any publicly available interpretations of the Commission, the Trust or Global Funding would not be required to make such filings under Section 314(a)

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of the Trust Indenture Act, then the Trust or Global Funding shall not be required to make such filings;

- (b) file, or cause to be filed on its behalf, 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 Trust, with the conditions and covenants of the 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 or on behalf of the Trust 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.

SECTION 7.5 COMPLIANCE CERTIFICATES AND AUDITOR'S REPORTS. No later than - - of each year, the Indenture Trustee shall (i) provide to the Funding Agreement Provider, the Trust and Global Funding an annual statement of compliance substantially in the form attached as Exhibit C, which shall be filed as an exhibit to the applicable Annual Report on Form 10-K of the Trust filed under the Exchange Act (each, a "FORM 10-K") and (ii) provide information necessary to allow a firm of independent public accountants selected by the Administrator to furnish to the board of directors of the Funding Agreement Provider annually an auditor's report pursuant to Section 2.2(a)(x) of the Amended and Restated Administrative Services Agreement.

#### 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 the Indenture to be given or taken by any Holder 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 otherwise expressly provided in the Indenture, 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 the Indenture and (subject to Sections 6.1 and 6.2) conclusive in favor of the Indenture Trustee and the Trust, if made in the manner provided in this Article. The record of any meeting of Holders of Notes shall be proved in the manner

- (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 Trust 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 CUSIP numbers of Notes shall be proved by the Note Register or by a certificate of the Indenture Trustee.

SECTION 8.3 VOTING RECORD DATE. The Trust may set a record date for purposes of determining the identity of each Holder of a Note entitled to vote or consent to any action 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 of the Indenture, only a Holder of any Note 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 Trust, the Indenture Trustee and any agent of the Trust or the Indenture Trustee may deem and treat the Holder of any Note 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 the Indenture, any interest on, and any Additional Amounts with respect to, such Note and for all other purposes; and neither the Trust nor the Indenture Trustee nor any agent of the Trust 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 TRUST DEEMED NOT OUTSTANDING. In determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent or waiver under the Indenture, Notes which are owned by the Trust or any other obligor on the Notes or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Trust or any other obligor on the Notes 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 Trust 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 Trust 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 Trust shall furnish to the Indenture Trustee promptly a Trust Certificate listing and identifying all Notes, if any, known by the Trust 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 Trust 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 specified in the 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 specified in the Indenture in connection with such action shall be conclusively binding upon the Trust, 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, irrespective of whether or not any notation in regard of any such action is made on any applicable Note Certificate.

ARTICLE 9  
SUPPLEMENTAL INDENTURES

SECTION 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

- (a) The Trust and the Indenture Trustee may from time to time and at any time enter into an indenture or indentures supplemental to the Indenture (each, a "SUPPLEMENTAL INDENTURE") (which shall conform to the

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provisions of the Trust Indenture Act) for one or more of the following purposes without the consent of any Holder:

- (i) for the Trust to convey, transfer, assign, mortgage or pledge to the Indenture Trustee as security for the Notes any property or assets;
  
- (ii) to add to the covenants of the Trust such further covenants, restrictions, conditions or provisions as the Trust 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 the Indenture as set forth in the Indenture; 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 Representative to waive such an Event of Default;
  
- (iii) 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 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 the Trust may deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Notes in any material respect; or
  
- (iv) to evidence and provide for the acceptance of appointment under the Indenture by a successor trustee 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.



- (b) The Indenture Trustee is authorized to join with the Trust in the execution of any such Supplemental Indenture, and to make any further appropriate agreements and stipulations which may be therein contained, 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 the Indenture or otherwise.

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- (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% in aggregate principal amount of the Notes at the time Outstanding, the Trust 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 the Notes; PROVIDED, that no such Supplemental Indenture shall:
- (i) 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 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 the 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 the Indenture; or
  - (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 Trust, 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 Trust in the execution of such Supplemental Indenture unless such Supplemental Indenture affects the Indenture Trustee's own rights, duties or immunities under the 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 Trust and the Indenture Trustee of any Supplemental Indenture pursuant to the provisions of this Section, the

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Indenture Trustee shall notify the Holders of each Note, as provided in the 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 of the Indenture, the 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 the Indenture of the Indenture Trustee, the Trust and each Holder of Notes shall thereafter be determined, exercised and enforced under the

Indenture 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 the 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 a Trust Certificate and an Opinion of Counsel as conclusive evidence that any such Supplemental Indenture complies with the applicable provisions of the Indenture.

SECTION 9.5 NOTATION ON NOTE CERTIFICATES IN RESPECT OF SUPPLEMENTAL INDENTURES. Any Note Certificate 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 as to any matter provided for by such Supplemental Indenture or as to any action taken at any such meeting. If the Trust or the Indenture Trustee shall so determine, a new Note Certificate representing Notes so modified as to conform, in the opinion of the Indenture Trustee and the Trust, to any modification of the Indenture contained in any such Supplemental Indenture may be prepared by the Trust, authenticated by the Indenture Trustee and delivered in exchange for each Note Certificate representing Notes then Outstanding.

#### ARTICLE 10 CONSOLIDATION, MERGER, SALE OR CONVEYANCE

SECTION 10.1 TRUST MAY MERGE, CONSOLIDATE, SELL OR CONVEY PROPERTY UNDER CERTAIN CIRCUMSTANCES. The Trust may not consolidate with, or merge into, any Person (whether or not affiliated with the Trust), or sell, lease or convey the property of the Trust as an entirety or substantially as an entirety, unless:

- (a) the entity formed by such consolidation or into which the Trust is merged or the Person which acquires by conveyance or transfer the properties and assets of the Trust substantially as an entirety shall be a statutory trust formed 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

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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, the Notes and the performance of every covenant of the Indenture on the part of the Trust 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 Trust has received written confirmation from any rating agency then rating any Notes at the request of the Trust 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 Trust has delivered to the Indenture Trustee a Trust 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 provided for in the Indenture 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 Trust 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 Outstanding under the Indenture, as and when the same shall have become due and payable, or (b) the Trust shall have delivered to the Indenture Trustee for cancellation all Note Certificates representing Notes 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 Trust 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 Trust in accordance with Section 11.4) sufficient to pay at maturity all amounts payable at maturity on the Notes represented by each Note Certificate not theretofore delivered to the Indenture Trustee for cancellation, including any outstanding 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 Trust shall also pay or cause to be paid all other sums payable

under the Indenture by the Trust, then the 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, (iv) the rights, obligations and immunities of the Indenture Trustee under the Indenture and (v) the rights of each Holder as beneficiary of the Indenture 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 Trust accompanied by a Trust Certificate and an Opinion of Counsel and at the cost and expense of the Trust, shall execute

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proper instruments acknowledging such satisfaction of and discharging the Indenture. The Trust 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 the Indenture or the Notes.

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 Trust 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 the Indenture, all funds then held by any Paying Agent under the provisions of the Indenture shall, upon demand of the Trust, be repaid to the Trust 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 and not applied but remaining unclaimed for three years after the date upon which such principal, interest, premium, Additional Amounts or any other amount shall have become due and payable, shall, upon the written request of the Trust and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Trust by the Indenture Trustee or such Paying Agent, and the Holder of such Note shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Trust 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 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 the Indenture to be made, given or taken by Holders of Notes.

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 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, setting forth the

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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 Trust or the Holder or Holders of at least 10% in principal amount of the Notes shall have requested the Indenture Trustee to call a meeting of the Holders of Notes 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 in the Indenture, then the Trust or the Holder or Holders of Notes 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, a Person shall be (a) a Holder of one or more Notes then Outstanding, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Notes 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 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 Trust and its counsel.

SECTION 12.4 QUORUM; ACTION.

- (a) The Persons entitled to vote a majority in principal amount of the Notes then Outstanding shall constitute a quorum for a meeting of Holders of Notes; PROVIDED, HOWEVER, that if any action is to be taken at such meeting with respect to a consent or waiver which the Indenture expressly provides may be given by the Holders of not less than 66% in principal amount of the Outstanding Notes, then Persons entitled to vote 66% in principal amount of the Outstanding Notes 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, 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

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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 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; PROVIDED, HOWEVER, that, except as limited by the proviso to Section 9.2(a), any resolution with respect to any consent or waiver which the Indenture expressly provides may be given by the Holders of not less than 66% in principal amount of the Outstanding Notes 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% in principal amount of the Outstanding Notes; 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 action which the 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 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.
- (c) Any resolution passed or decision taken at any meeting of Holders of Notes duly held in accordance with this Section shall be binding on all the Holders of Notes, 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 the Indenture, the Indenture Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Notes in regard to proof of the holding of Notes 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.

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- (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 Trust or by Holders of Notes as provided in Section 12.2(b), in which case the Trust or the Holders of Notes 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 represented at the meeting.
- (c) At any meeting, each Holder of a Note or proxy shall be entitled to one vote for each \$1,000 of principal amount of Notes 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 be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Note or proxy.
- (d) Any meeting of Holders of Notes 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 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 shall be (a) by written ballots on which shall be subscribed the signatures of the Holders of Notes or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Notes 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 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 Trust, 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 the Indenture, or any relevant Note Certificate or Supplemental Indenture, none of the Funding

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Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Indenture Trustee or the Trust 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, 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 Collateral. Neither the Holders nor the Indenture Trustee on behalf of the Holders will have the right to proceed against the Nonrecourse Parties 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.

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 or otherwise affect or impair the enforceability against the Trust of the liens, assignments, rights and the Security Interest created by or pursuant to the Indenture, the relevant Collateral or any other instrument or agreement evidencing, securing or relating to the indebtedness or the obligations evidenced by the Notes. Nothing in this Section shall preclude the Holders from foreclosing upon any property included in the Collateral or any other rights or remedies in law or in equity against the Trust.

SECTION 13.2 PROVISIONS OF INDENTURE FOR THE SOLE BENEFIT OF PARTIES AND HOLDERS. Nothing in the Indenture or in the Notes, expressed or implied, shall give or be construed to give to any Person, other than the parties to the Indenture and their successors and the Holders of the Notes, any legal or equitable right, remedy or claim under the Indenture or under any covenant or provision contained in the Indenture, all such covenants and provisions being for the sole benefit of the parties to the Indenture and their successors and of the Holders of the Notes.

SECTION 13.3 SUCCESSORS AND ASSIGNS OF TRUST BOUND BY INDENTURE. All the covenants, stipulations, promises and agreements in the Indenture contained by or in behalf of the Trust shall bind its successors and assigns, whether so expressed or not.

SECTION 13.4 NOTICES AND DEMANDS ON TRUST, INDENTURE TRUSTEE AND ANY HOLDER.

- (a) Except as otherwise provided by this Section, any notice or demand which by any provision of the 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 Trust may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided in the Indenture) addressed (until another address of the Trust is filed by the Trust with the Indenture Trustee) to the Delaware Trustee. Any notice, direction, request or demand by the Trust 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.

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- (b) Where the Indenture provides for notice to any Holder, such notice shall be sufficiently given (unless otherwise expressly provided in the Indenture) 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 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 the 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 Trust and each Holder when such notice is required to be given pursuant to any provision of the 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.
- (e) The Trust shall deliver promptly to each rating agency then rating the Notes at the request of the Trust copies of each of the following:
  - (i) any repurchase of Notes pursuant to Section 3.3;
  - (ii) any notice of any default or Event of Default;
  - (iii) any notice of redemption provided by the Trust pursuant to Section 3.1(d);
  - (iv) any notice of change in name, identity, organizational structure, chief executive office, or chief place of business of the Trust provided by the Trust pursuant to

Section 14.4(a);

- (v) any Supplemental Indenture;
- (vi) any resignation, removal or appointment under this Indenture;
- (vii) any amendment to any Funding Agreement; and
- (viii) any other information reasonably requested by such rating agency.

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Any such notice shall be addressed to:

Standard & Poor's Ratings Services,  
a division of The McGraw-Hill Companies, Inc.  
55 Water Street  
New York, NY 10041  
Attention: Capital Markets  
Facsimile: (212) 438-5215

Moody's Investors Service Inc.  
99 Church Street  
New York, NY 10007  
Attention: Life Insurance Group  
Facsimile: (212) 553-4805

or such other address previously furnished in writing to the Trust by the applicable rating agency.

SECTION 13.5 TRUST CERTIFICATES AND OPINIONS OF COUNSEL; STATEMENTS TO BE CONTAINED THEREIN.

- (a) Except as otherwise expressly provided in the Indenture, upon any application or demand by the Trust to the Indenture Trustee to take any action under any of the provisions of the Indenture, the Trust shall furnish to the Indenture Trustee a Trust Certificate stating that all conditions precedent, if any, provided for in the Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of the applicable 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 the Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.
- (b) Each certificate or opinion provided for in the Indenture and delivered to the Indenture Trustee with respect to compliance with a condition or covenant provided for in the 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

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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 Trust may be based upon a certificate or opinion of or representations by counsel, unless the Trust 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 Trust, upon the certificate, statement or opinion of or representations by the Trust, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which the 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 Trust 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 Trust, 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 the 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. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Indenture and the Notes shall (unless specified otherwise in the Note Certificate) 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 Agreement(s) 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, any 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, provided that a Note Certificate may specify other jurisdictions as to which the Trust may consent to the nonexclusive jurisdiction of its courts with respect to the Notes.

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SECTION 13.7 COUNTERPARTS. The 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 TRUST INDENTURE ACT TO CONTROL. If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any duties under any required provision of the Trust Indenture Act imposed on the Indenture by Section 318(c) of the Trust Indenture Act (each, an "INCORPORATED PROVISION"), such incorporated provision shall control.

SECTION 13.9 JUDGMENT CURRENCY. The Trust 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 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 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 the 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 the 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

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(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 in accordance with the terms of the Indenture and to secure the performance of the Trust's obligations under the Notes and the Indenture, the Trust pledges and collaterally assigns to and with the Indenture Trustee for the benefit of each Holder of each Note and any other Person for whose benefit the Indenture Trustee is or will be holding the Collateral (the "SECURED PARTIES"), and grants to the Indenture Trustee for the benefit of each Secured Party, a security interest in the Collateral and all of the rights and privileges of the Trust in and to the Collateral (the "SECURITY INTEREST"), effective as of the Original Issue Date of the Notes.
- (b) It is expressly agreed that anything therein contained to the contrary notwithstanding, the Trust 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 the Indenture, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of the Trust 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 the Security Interest upon the issuance of the Notes, accepts the trusts under the Indenture in accordance with the provisions of the Indenture and agrees to perform its duties in accordance with the terms of the Indenture.

SECTION 14.2 REPRESENTATIONS AND WARRANTIES. The Trust represents and warrants (which representations and warranties shall be deemed to have been repeated as of the date of any Note Certificate) as follows:

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- (a) The Trust owns each Funding Agreement that secures the Obligations and all of the rest of the Collateral, free and clear of any Liens other than the Security Interest in the Collateral.
- (b) The Trust has not performed any acts which might prevent the Indenture Trustee from enforcing any of the terms of the 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 the 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 (other than the Trust 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 by the Indenture.

- (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 Trust 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 Trust, the Trust's creditors and any purchaser from the Trust.

SECTION 14.3 ADDITIONAL REPRESENTATIONS AND WARRANTIES. The Trust represents and warrants that:

- (a) to the extent the creation of a security interest in any Funding Agreement is governed by the applicable UCC, the Indenture creates a valid security interest (as defined in the applicable UCC) in each Funding Agreement in favor of the Indenture Trustee for the benefit and security of the Secured Parties, which security interest is prior to all other Liens;
- (b) to the extent the UCC applies, each Funding Agreement consists of "general intangibles," "payment intangibles" and/or "instruments" within the meaning of the applicable UCC;
- (c) subject to the grant of security interest, pledge and collateral assignment of the Trust's estate, right, title and interest in each Funding Agreement, the

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Trust is a party to and is the Person entitled to payment under each Funding Agreement on the date of the Indenture free and clear of any Lien, claim or encumbrance of any Person, other than the Lien created under the Indenture or any Lien otherwise permitted under the Indenture;

- (d) to the extent the UCC applies, the Trust has caused or will have caused, within ten days after the date of the Indenture, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in each Funding Agreement granted to the Indenture Trustee for the benefit and security of the Secured Parties under the Indenture;
- (e) all original executed copies of each instrument that constitutes or evidences each Funding Agreement have been delivered to the Indenture Trustee or a custodian for the Indenture Trustee (the "CUSTODIAN");
- (f) where all original executed copies of each instrument that constitutes or evidences each Funding Agreement have been delivered to the Custodian, the Trust has received a written acknowledgment from the Custodian that the Custodian is holding the instruments that constitute or evidence each Funding Agreement solely on behalf of the Indenture Trustee;
- (g) other than the security interest granted to the Indenture Trustee for the benefit and security of the Secured Parties pursuant to the Indenture, the Trust has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Funding Agreements;
- (h) the Trust has not authorized the filing of and is not aware of any financing statements against the Trust that include a description of collateral covering the Funding Agreement other than any financing statement relating to the security interest granted to the Indenture Trustee for the benefit and security of the Secured Parties under the Indenture or that has been terminated;
- (i) the Trust is not aware of any judgment or tax lien filings against the Trust; and
- (j) none of the instruments that constitute or evidence the Funding

Agreements has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Indenture Trustee for the benefit and security of the Secured Parties.

The foregoing representations and warranties shall survive the execution and delivery of the Notes. No party to the Indenture shall waive any of the foregoing representations and warranties. The Trust shall maintain the perfection and priority of the security interest in each Funding Agreement.

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SECTION 14.4 FURTHER ASSURANCES; COVENANTS.

- (a) The Trust 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 and shall have complied with Section 14.4(e). The Trust 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 and shall have complied with Section 14.4(e).
- (b) The Trust will, from time to time and upon advice of counsel, at the Trust's expense, prepare, execute, authenticate, 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 the Indenture, or to enable the Indenture Trustee to exercise and enforce any of its rights, powers and remedies under the Indenture with respect to any Collateral. To the extent permitted by applicable law, if the Trust fails to do so, the Trust authorizes the Indenture Trustee to execute and file financing statements or continuation statements without the Trust's signature appearing thereon. The Trust agrees that a carbon, photographic, photostatic or other reproduction of the Indenture or of a financing statement is sufficient as a financing statement. The Trust shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning any Collateral.
- (c) If any Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Trust's agents or processors, the Trust shall notify such warehouseman, bailee, agent or processor of the Security Interest created by the Indenture and to hold all such Collateral for the Indenture Trustee's account subject to the Indenture Trustee's instructions.
- (d) The Trust will, promptly upon request, provide to the Indenture Trustee all information and evidence it may reasonably request concerning the Collateral to enable the Indenture Trustee to enforce the provisions of the Indenture.
- (e) Not more than six months nor less than 30 days prior to each date on which the Trust proposes to take any action contemplated by Section 14.4(a), the Trust 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 of Counsel, continuing until a date not earlier than 18 months from the date of such Opinion of Counsel, against all creditors of and purchasers from the Trust have been

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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 Trust 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 Representative

may reasonably request.

SECTION 14.5 GENERAL AUTHORITY. The Trust irrevocably appoints the Indenture Trustee its true and lawful attorney, with full power of substitution, in the name of the Trust, the Indenture Trustee, the Holders of Notes or otherwise, for the sole use and benefit of the Secured Parties, but at the Trust'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
- (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 Trust 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 14.6 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 provided in the Indenture 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 Trust will execute and deliver such documents and take such other action as the Indenture Trustee deems

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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 Trust which may be waived, and the Trust, to the extent permitted by law, specifically waives all rights of redemption, stay or appraisal which it has or may have under any law. 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 conferred upon it in the Indenture, 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.

SECTION 14.7 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 property it holds in its fiduciary capacity generally, 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 14.8 CONCERNING THE INDENTURE TRUSTEE. In furtherance and not in derogation of the rights, privileges and immunities of the Indenture Trustee specified in the Indenture:

- (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 in this Article (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

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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; and

- (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 under the Indenture.

SECTION 14.9 TERMINATION OF SECURITY INTEREST. Upon the repayment in full of all Obligations, the Security Interest shall terminate and all rights to the Collateral shall revert to the Trust. Upon such termination of a Security Interest, and delivery of a certificate by the Trust to such effect, the Indenture Trustee will, at the expense of the Trust, execute and deliver to the Trust such documents as the Trust shall reasonably request to evidence the termination of the Security Interest.

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EXHIBIT A-1

Form of Global Security for Secured Medium Term Notes Program

A1-1

EXHIBIT A-2

Form of Definitive Security for Secured Medium Term Notes Program

A2-1

EXHIBIT A-3

Form of Global Security for Allstate Life(SM) CoreNotes(SM) Program

A3-1

EXHIBIT A-4

Form of Definitive Security for Allstate Life(SM) CoreNotes(SM) Program

A4-1

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.

J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Indenture Trustee

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

Dated:

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EXHIBIT C

FORM OF ANNUAL STATEMENT OF COMPLIANCE

I [identify the certifying individual], a duly elected and acting officer of J.P. Morgan Trust Company, National Association ("Indenture Trustee"), do hereby certify on behalf of the Indenture Trustee, that:

1. I have reviewed and examined the performance by the Indenture Trustee of the application of trust money collected by the Indenture Trustee pursuant to Section 5.3 of the Indenture under which the Trust's notes (the "Notes") were issued during the fiscal year ending December 31, - (the "Relevant Year"); and

2. Based upon my review and examination described in 1 above, and except as provided in the information furnished by the Indenture Trustee for purposes of the auditor's report delivered pursuant to Section 2.2(a)(x) of the Amended and Restated Administrative Services Agreement dated as of [ ], 2004, between AMACAR Pacific Corp. and Allstate Life Global Funding, to the best of my knowledge, the application of trust money collected by the Indenture Trustee pursuant to Section 5.3 of the Indenture was performed in accordance with the terms of the Indenture throughout the Relevant Year.

J.P. Morgan Trust Company, National Association, as Indenture Trustee

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

Date: \_\_\_\_\_

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STANDARD FUNDING NOTE INDENTURE TERMS

WITH RESPECT TO

ALLSTATE LIFE GLOBAL FUNDING

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This reconciliation table shall not be deemed to be part of the Funding

Note Indenture for any purpose.

Attention should also be directed to Section 318(c) of the Trust Indenture Act, which provides that certain provisions of Sections 310 to and including 317 are a part of and govern every qualified indenture, whether or not physically contained in the Funding Note Indenture.

This document constitutes the Standard Funding Note Indenture Terms, which will be incorporated by reference in the Funding Note Indenture (as defined below), by and between Global Funding (as defined below) and the Indenture Trustee (as defined below).

These Standard Funding Note Indenture Terms shall be of no force and effect unless and until incorporated by reference into, and then only to the extent not modified by, such Funding Note Indenture.

The following Standard Funding Note Indenture Terms shall govern the Funding Note subject to contrary terms and provisions expressly adopted in the Funding Note Indenture, any Supplemental Funding Note Indenture or the Funding Note, which contrary terms shall be controlling.

#### ARTICLE 1 DEFINITIONS

SECTION 1.1 CERTAIN TERMS DEFINED. The following terms shall have the meanings specified in this Section for all purposes of the Funding Note Indenture and the Funding Note, unless otherwise expressly provided. All other terms used in the Funding Note 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 otherwise expressly provided in the Funding Note Indenture 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 the Funding Note Indenture as originally executed.

"ADDITIONAL AMOUNTS" means any additional amounts which may be required by the Funding Note, under circumstances specified in the Funding Note Certificate or Supplemental Funding Note Indenture, to be paid by Global Funding in respect of certain taxes, assessments or other governmental charges imposed on Holders specified therein and which are owing to such Holders.

"ADMINISTRATIVE SERVICES AGREEMENT" means that certain administrative services agreement included in Section - of the Series Instrument, by and between the Issuing Trust and the Administrator, as the same may be amended, modified, restated, supplemented and/or replaced from time to time.

"ADMINISTRATOR" means AMACAR Pacific Corp., a Delaware corporation, in its capacity as the sole administrator of the Issuing Trust, 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.

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"AGENTS" has the meaning set forth in the Distribution Agreement.

"AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT" means that certain Amended and Restated Administrative Services Agreement dated as of - , 2004, between the Global Funding Administrator and Global Funding, as the same may be amended, restated, modified, supplemented or replaced from time to time.

"AMENDED AND RESTATED SUPPORT AGREEMENT" means that certain Amended and Restated Support Agreement dated as of - , 2004, between the Funding Agreement Provider and Global Funding, as the same may be amended, restated, modified, supplemented or replaced from time to time.

"AMENDED AND RESTATED TRUST AGREEMENT" means that certain Amended and Restated Trust Agreement dated as of - , 2004, pursuant to which Global Funding is continued, as the same may be amended, restated, modified, supplemented or replaced from time to time.

"ANNUAL REDEMPTION PERCENTAGE REDUCTION" has the meaning specified in the Funding Note Certificate.

"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, if the Specified Currency of the Funding Note is other than U.S. Dollars, 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).

"CLOSING INSTRUMENT" means the closing instrument of the Issuing Trust, pursuant to which the Indenture and the Funding Note Indenture are entered into, and certain other documents are executed, in connection with the issuance of the Notes by the Issuing Trust and the issuance of the Funding Note by Global Funding.

"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.

"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 the Funding Note Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"COORDINATION AGREEMENT" means that certain Coordination Agreement included in Section - of the Series Instrument, among the Funding Agreement Provider, Global Funding, the Funding Note Indenture Trustee, the Issuing Trust and the Indenture Trustee, as the same may be amended, modified or supplemented from time to time.

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"CORPORATE TRUST OFFICE" means the office of the Funding Note Indenture Trustee at which the Funding Note Indenture shall, at any particular time, be principally administered, which office is, at the date as of the Funding Note Indenture located at 201 North Central Avenue, Phoenix, AZ 85004, except that for the purposes of Section 4.2 it shall be 55 Water Street, 1st Floor, Jeannette Park Entrance, New York, New York 10041, or such other location as may be specified in or pursuant to the Funding Note Certificate.

"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, (iv) 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, (v) 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 (vi) 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).

"DELAWARE TRUSTEE" means Wilmington Trust Company, a Delaware banking corporation not in its individual capacity but solely as trustee and its successors.

"DISTRIBUTION AGREEMENT" means that certain Distribution Agreement dated as of -, 2004, by and among Global Funding and the Agents named therein, as the same may be amended, restated, modified or supplemented from time to time.

"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 RATE AGENT" means the Funding Note Indenture Trustee in its capacity as exchange rate agent or any other person specified as exchange rate agent with respect to the Funding Note in the Funding Note Certificate.

"FUNDING AGREEMENT" means each funding agreement issued by the Funding Agreement Provider to Global Funding, which is immediately pledged and collaterally assigned by Global Funding to the Funding Note Indenture Trustee for the benefit of the Holders of the Funding Note, as the same may be modified, restated, replaced, supplemented or otherwise amended from time to time in accordance with the terms thereof.

"FUNDING AGREEMENT PROVIDER" means Allstate Life Insurance Company, a stock life insurance company organized under the laws of the State of Illinois.

"FUNDING NOTE" means the note issued by Global Funding and authenticated by the Funding Note Indenture Trustee under the Funding Note Indenture in an authorized denomination and represented by the Funding Note Certificate.

"FUNDING NOTE CALCULATION AGENT" means the Funding Note Indenture Trustee in its capacity as calculation agent or any other Person specified as calculation agent with respect to the Funding Note in the Funding Note Certificate.

"FUNDING NOTE COLLATERAL" means, with respect to the Funding Note, the right, title and interest of Global Funding in and to (i) each Funding Agreement held by Global Funding, (ii) all Proceeds in respect of each such Funding Agreement and (iii) all books and records (including without limitation, computer programs, printouts and other computer materials and files) of Global Funding pertaining to the Funding Agreement(s).

"FUNDING NOTE CERTIFICATE" means a security certificate representing the Funding Note.

"FUNDING NOTE INDENTURE" means that certain Funding Note Indenture included in Section - of the Closing Instrument, between Global Funding and the Funding Note Indenture Trustee, as the same may be amended, restated or supplemented from time to time.

"FUNDING NOTE INDENTURE TRUSTEE" means J.P. Morgan Trust Company, National Association, in its capacity as the funding note indenture trustee, and its successors.

"FUNDING NOTE PAYING AGENT" means the Funding Note Indenture Trustee in its capacity as paying agent and its successors, and any other Person specified as paying agent with respect to the Funding Note in the Funding Note Certificate.

"FUNDING NOTE REGISTER" has the meaning specified in Section 2.6(a).

"FUNDING NOTE REGISTRAR" has the meaning specified in Section 2.6(a).

"GLOBAL FUNDING" means Allstate Life Global Funding, a statutory trust formed under the laws of the State of Delaware and its successors.

"GLOBAL FUNDING ADMINISTRATOR" means AMACAR Pacific Corp., a Delaware corporation, in its capacity as the sole administrator of Global Funding, and its permitted successors and assigns.

"GLOBAL FUNDING TRUST BENEFICIAL OWNER" means AMACAR Pacific Corp., in its capacity as the sole beneficial owner of Global Funding, and its successors.

"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 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 the Funding Note, any Person in whose name such Funding Note is registered in the Funding Note Register.

"HOLDER REPRESENTATIVE" has the meaning set forth in Section 5.8(a).

"INCORPORATED PROVISION" has the meaning set forth in Section 13.8.

"INDENTURE" means that certain Indenture included in Section - of the Closing Instrument, between the Issuing Trust and the Indenture Trustee, as the same may be amended, restated or supplemented from time to time.

"INDENTURE TRUSTEE" means J.P. Morgan Trust Company, National Association,

in its capacity as indenture trustee, and its successors.

"INITIAL REDEMPTION DATE" means, with respect to the Funding Note or any portion thereof to be redeemed pursuant to Section 3.1(b), the date on or after which the Funding Note or such portion thereof may be redeemed as determined by or pursuant to the Funding Note Indenture or the Funding Note Certificate or Supplemental Funding Note Indenture.

"INITIAL REDEMPTION PERCENTAGE" has the meaning specified in the Funding Note Certificate.

"INTEREST PAYMENT DATE" has the meaning specified in Section 2.8(a).

"INTEREST RESET DATE" has the meaning specified in the Funding Note Certificate.

"ISSUING TRUST" means the Allstate Life Global Funding Trust specified in the Series Instrument, together with its permitted successors and assigns.

"LIBOR" has the meaning ascribed in the Funding Note Certificate.

"LIBOR CURRENCY" means the currency specified in the Funding Note Certificate as to which LIBOR shall be calculated or, if no currency is specified in the applicable Funding Note Certificate, 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

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purposes hereof, Global Funding 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.

"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 the Funding Note, the Stated Maturity Date, the Trust Notes Maturity Date or any date prior to any such date on which the principal (or such installment of principal) of the Funding Note becomes due and payable whether, as applicable, by the declaration of acceleration of maturity, notice of redemption at the option of Global Funding, notice of the Holder's option to elect repayment or otherwise.

"NAME LICENSING AGREEMENT" means that certain Name Licensing Agreement included in Section - of the Series Instrument, between Allstate Insurance Company and the Issuing Trust, as the same may be amended, restated, modified, supplemented or replaced from time to time.

"NON-RECOURSE PARTIES" has the meaning set forth in Section 13.1.

"NOTE" means each medium term note issued by the Issuing Trust and authenticated by the Indenture Trustee under the Indenture, each in an authorized denomination and represented, individually or collectively, by one or more Note Certificates.

"NOTE CERTIFICATE" means a security certificate representing one or more Notes.

"OBLIGATIONS" means the obligations of Global Funding secured under the Funding Note and the Funding Note Indenture, including (a) all principal of, any premium and interest payable (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 Global Funding, whether or not allowed or allowable as a claim in any such proceeding) on, and any Additional Amounts with respect to, the Funding Note or pursuant to the Funding Note Indenture, (b) all other amounts payable by Global Funding under the Funding Note Indenture or under the Funding Note including all costs and expenses (including attorneys' fees) incurred by the Funding Note Indenture Trustee or any Holder thereof in realizing on the Funding Note 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 Global Funding or the Funding Note Indenture Trustee or who may be other counsel satisfactory to the Funding Note Indenture Trustee. Each such opinion shall include the statements provided for in Section 13.5 hereof, if and to the extent required hereby.

"ORIGINAL ISSUE DATE" shall have the meaning set forth in the Funding Note Certificate.

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"OUTSTANDING" shall mean, subject to the provisions of Section 8.5, with respect to any portion of the Funding Note as of any particular time, any portion of the Funding Note represented by the Funding Note Certificate executed by Global Funding and authenticated and delivered by the Funding Note Indenture Trustee under the Funding Note Indenture, except (a) any portion of the Funding Note theretofore cancelled by the Funding Note Indenture Trustee or delivered to the Funding Note Indenture Trustee for cancellation; (b) any portion of the Funding 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 Funding Note Indenture Trustee or with any Funding Note Paying Agent; PROVIDED that if such portion of Funding Note is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in or pursuant to the Funding Note Indenture, or provision satisfactory to the Funding Note Indenture Trustee shall have been made for giving such notice; and (c) any portion of the Funding Note represented by the Funding Note Certificate in substitution for which one or more other Funding 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 Funding Note Indenture Trustee is presented that any such portion of the Funding Note is held by a Person in whose hands such Funding Note is a legal, valid and binding obligation of Global Funding).

"OWNER" shall, with respect to each Funding Agreement, have the meaning specified in such Funding Agreement.

"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.

"PRINCIPAL AMOUNT" with respect to a Funding Agreement, has the meaning ascribed in such Funding Agreement.

"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 rands 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.

"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 Global Funding 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 portion of the Funding Note to be redeemed, pursuant to Section 3.1(b) or Section 3.1(c), the date of redemption of such portion of the Funding Note specified in the relevant notice of redemption provided to the Funding Note Indenture Trustee pursuant to Section 3.1(d).

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"REDEMPTION PRICE" means, with respect to the Funding Note, an amount equal to the Initial Redemption Percentage specified in the Funding Note Certificate (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount thereof to be redeemed.

"REGULAR INTEREST RECORD DATE" has the meaning set forth in Section 2.8(a).

"REPAYMENT DATE" means, with respect to any portion of the Funding Note to be repaid pursuant to Section 3.2, the date for the repayment of such portion of the Funding Note as determined by or pursuant to the Funding Note Indenture or the Funding Note Certificate or a Supplemental Funding Note Indenture.

"REPAYMENT PRICE" means, with respect to any portion of the Funding Note to be repaid pursuant to Section 3.2, the price for repayment of such portion of the Funding Note as determined by, or pursuant to, the Funding Note Indenture or the Funding Note Certificate or a Supplemental Funding Note 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 Global Funding, 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 Delaware Trustee or the Funding Note 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 Delaware Trustee or the Funding Note 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.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SECURITY INTEREST" has the meaning set forth in Section 14.1(a).

"SERIES INSTRUMENT" means the series instrument of the Issuing Trust, pursuant to which the Administrative Services Agreement, the Coordination Agreement, the Name Licensing Agreement, the Support Agreement, the Terms Agreement and the Trust Agreement are entered into, and certain other documents are executed, in connection with the issuance of the Notes by the Issuing Trust.

"SPECIAL INTEREST RECORD DATE" has the meaning set forth in Section 2.8(b).

"SPECIFIED CURRENCY" has the meaning specified in Section 2.4.

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"STATED MATURITY DATE," means with respect to the Funding 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 the Funding Note Indenture or the Funding Note Certificate or a Supplemental Funding Note Indenture as the date on which the principal of the Funding Note or such installment of principal or interest or such premium is, or such Additional Amounts are, due and payable.

"SUPPLEMENTAL FUNDING NOTE INDENTURE" has the meaning specified in Section 9.1(a).

"SUPPORT AGREEMENT" means that certain Support and Expenses Agreement included in Section - of the Series Instrument, by and between the Funding Agreement Provider and the Issuing Trust, as the same may be amended, modified or supplemented 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).

"TERMS AGREEMENT" means that certain Terms Agreement included in Section - of the Series Instrument, by and among Global Funding, the Issuing Trust and each Agent named therein, which will incorporate by reference the terms of the Distribution Agreement.

"TRUST AGREEMENT" means that certain Trust Agreement included in Section - of the Series Instrument, among the Delaware Trustee, the Administrator and the Trust Beneficial Owner.

"TRUST BENEFICIAL OWNER" means Global Funding, in its capacity as the sole beneficial owner of the Issuing Trust, and its successors.

"TRUST CERTIFICATE" means a certificate signed by the Global Funding Administrator on behalf of Global Funding and delivered to the Funding Note Indenture Trustee. Each such certificate shall include the statements provided for in Section 13.5.

"TRUST INDENTURE ACT" shall mean the Trust Indenture Act of 1939, as amended.

"TRUST NOTES MATURITY DATE" has the meaning specified in the Funding Note Certificate.

"UCC" means the Uniform Commercial Code, as from time to time in effect in the State of New York; PROVIDED THAT, with respect to the perfection, effect of perfection or non-perfection, or priority of any security interest in the Funding Note Collateral, "UCC" shall mean the applicable jurisdiction whose law governs such perfection, non-perfection or priority.

"UNITED STATES", except as otherwise provided in or pursuant to the Funding Note Indenture or the Funding Note Certificate, means the United States of America (including the states thereof and the District of Columbia), its

"UNITED STATES DOLLARS", "U.S. DOLLARS" or "\$" means lawful currency of the United States.

SECTION 1.2 INTERPRETATION. For all purposes of the Funding Note 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 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 of the Funding Note Indenture;
- (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 the Funding Note Indenture;
- (d) the words "include", "includes" and "including" shall be construed to be followed by the words "without limitation"; and
- (e) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting the Funding Note Indenture or the intent of the parties.

ARTICLE 2  
THE FUNDING NOTE

SECTION 2.1 PRINCIPAL AMOUNT. The principal amount of the Funding Note will be specified in the Funding Note Certificate

SECTION 2.2 STATUS OF FUNDING NOTE. The Funding Note constitutes a direct, unconditional, unsubordinated and secured non-recourse obligation of Global Funding. The parties hereto agree that the purpose of the Funding Note is to comply with Section 3(a)(7) of the Investment Company Act of 1940, as amended.

SECTION 2.3 FORM OF FUNDING NOTE CERTIFICATE.

- (a) The Funding Note Certificate, shall be in, or substantially in, the form set forth in Exhibit A-1 or Exhibit A-2, attached hereto, as applicable, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Funding Note Indenture or as may in Global Funding's judgment be necessary, appropriate or convenient to permit the Funding Note 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 Funding Note may be listed, or as may, consistently herewith, be determined by the Responsible Officer of Global Funding executing the Funding Note Certificate, with the approval of the Funding Note Indenture Trustee, as evidenced by his or her execution thereof.

- (b) The Funding Note Certificate may be printed, lithographed, engraved, typewritten, photocopied or otherwise produced in any manner as the Responsible Officer of Global Funding executing the Funding Note Certificate may determine.
- (c) The terms and provisions contained in the Funding Note Certificate and in any Supplemental Funding Note Indenture shall constitute, and are expressly made, a part of the Funding Note Indenture and, to the extent applicable, Global Funding and the Funding Note Indenture Trustee, by their execution and delivery of the Funding Note Indenture, expressly agree to such terms and provisions and to be bound thereby.

SECTION 2.4 CURRENCY; DENOMINATIONS.

- (a) Unless otherwise specified in the Funding Note Certificate or in any Supplemental Funding Note Indenture, the Funding Note will be



denominated in, and payments of principal of, premium and interest on, and Additional Amounts in respect to, the Funding Note will be made in, U.S. dollars. The currency in which the Funding Note 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 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 in the Funding Note Indenture referred to as the "SPECIFIED CURRENCY".

- (b) Global Funding appoints the Funding Note Indenture Trustee as Exchange Rate Agent with respect to the Funding Note and the Funding Note Indenture Trustee accepts such appointment.
- (c) If the Specified Currency of the Funding Note is other than U.S. Dollars and such Specified Currency 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 the control of Global Funding, Global Funding will be entitled to satisfy the obligations to the registered holders of the Funding Note 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

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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.

- (d) Unless otherwise specified in the Funding Note Certificate or in a Supplemental Funding Note Indenture, the Funding Note shall be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof or equivalent denominations in other currencies.
- (e) Global Funding may (if so specified in the Funding Note Certificate or a Supplemental Funding Note Indenture) without the consent of the Holder of the Funding Note, redenominate the Funding Note on or after the date on which the member state of the European Union in whose national currency the Funding Note is denominated has become a participant member in the third stage of the European economic and monetary union as more fully set out in the Funding Note Certificate or a Supplemental Funding Note Indenture.
- (f) Unless otherwise specified in the Funding Note Certificate or a Supplemental Funding Note Indenture, if the Specified Currency of the Funding Note is other than U.S. Dollars, Global Funding shall not sell the Funding Note in, or to residents of, the country issuing the Specified Currency.

#### SECTION 2.5 EXECUTION, AUTHENTICATION, DELIVERY AND DATE.

- (a) The Funding Note Certificate shall be executed on behalf of Global Funding by any Responsible Officer of the Delaware Trustee. The signature of any Responsible Officer of the Delaware Trustee may be manual, in facsimile form, imprinted or otherwise reproduced and may, but need not, be attested.
- (b) The Funding Note Certificate bearing the signature of a Person who was at any time a Responsible Officer of the Delaware Trustee shall bind Global Funding, notwithstanding that such Person has ceased to hold such office prior to the authentication and delivery of the Funding Note Certificate or did not hold such office at the date of the Funding Note Certificate.
- (c) At any time, and from time to time, after the execution and delivery of the Funding Note Indenture, Global Funding may deliver the Funding Note Certificate executed by or on behalf of Global Funding to the Funding Note Indenture Trustee for authentication, and the Funding Note Indenture Trustee shall thereupon authenticate and deliver the Funding Note Certificate as provided in the Funding Note Indenture and not otherwise.
- (d) The Funding Note Indenture Trustee shall have the right to decline to authenticate and deliver the Funding Note Certificate under this Section if the Funding Note Indenture Trustee has obtained an Opinion of Counsel reasonably acceptable to Global Funding, to the effect that the issuance of

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the Funding Note will adversely affect the Funding Note Indenture Trustee's own rights, duties or immunities under the Funding Note Indenture.

- (e) The Funding Note Certificate shall be dated the date of its authentication.
- (f) The Funding Note shall not be entitled to any benefit under the Funding Note Indenture or be valid or obligatory for any purpose, unless there appears on the Funding Note Certificate representing the Funding Note a certificate of authentication substantially in the form attached as Exhibit B executed by the Funding Note Indenture Trustee by manual signature of one of its authorized signatories. Such certificate upon the Funding Note Certificate shall be conclusive evidence, and the only evidence, the Funding Note Certificate has been duly authenticated and delivered under the Funding Note Indenture.

#### SECTION 2.6 REGISTRATION, TRANSFER AND EXCHANGE.

- (a) The Funding Note Indenture Trustee will serve initially as registrar (in such capacity, and together with any successor registrar, the "FUNDING NOTE REGISTRAR") for the Funding Note. In such capacity, the Funding Note Indenture Trustee will cause to be kept at the Corporate Trust Office of the Funding Note Indenture Trustee a register (the "FUNDING NOTE REGISTER") in which, subject to such reasonable regulations as it may prescribe, the Funding Note Indenture Trustee will provide for the registration of the Funding Note and of transfers of the Funding Note. The Funding 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) Upon surrender of the Funding Note Certificate for registration of transfer of the Funding Note or any portion thereof, together with the form of transfer endorsed thereon duly completed and executed, at the designated office of the Funding Note Registrar or of any applicable transfer agent, each as provided in the Funding Note Certificate or a Supplemental Funding Note Indenture, the Delaware Trustee, on behalf of Global Funding shall execute, and the Funding Note Indenture Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, a new Funding Note Certificate of any authorized denomination representing an aggregate principal amount equal to the aggregate principal amount of the Funding Note or a portion thereof represented by the Funding Note Certificate surrendered for registration of transfer.
- (c) At the option of the applicable Holder, the Funding Note Certificate may be exchanged for one or more new Funding Note Certificates, each representing a portion of the Funding Note in an aggregate principal

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amount equal to the principal amount of the Funding Note. The Funding Note Certificate to be exchanged shall be surrendered at the designated office of the Funding Note Registrar or of any applicable transfer agent, each as provided in the Funding Note Certificate or Supplemental Funding Note Indenture. Whenever the Funding Note Certificate is so surrendered for exchange, the Delaware Trustee, on behalf of Global Funding shall execute, and the Funding Note Indenture Trustee shall authenticate and deliver, the Funding Note Certificate or Funding Note Certificates which the applicable Holder is entitled to receive, bearing numbers, letters or other designating marks not contemporaneously outstanding.

- (d) Each Funding Note Certificate executed, authenticated and delivered upon any transfer or exchange shall be a valid obligation of Global Funding, evidencing the same debt, and entitled to the same benefits under the Funding Note Indenture, as the Funding Note Certificate surrendered in connection with any such transfer or exchange. Upon surrender, transfer or exchange of the Funding Note Certificate pursuant to this Section 2.6, each new Funding 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 Funding Note Registrar or of any applicable transfer agent, each as provided in the Funding Note Certificate or Supplemental Funding Note Indenture, or mailed at the risk of the Person entitled to such Funding 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) A Funding Note Certificate presented or surrendered in connection with a transfer or exchange shall (if so required by Global Funding or the Funding Note Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to Global Funding and the Funding Note 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 the Funding Note or exchange of Funding Note Certificate, but Global Funding or the Funding Note Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with a transfer of the Funding Note or exchange of the Funding Note Certificate.
- (g) Except as otherwise provided in or pursuant to the Funding Note Indenture, Global Funding and the Funding Note Indenture Trustee shall not be required to (i) upon presentation or surrender of a Funding 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 the Funding Note under Section 3.1 and ending at the close of business on the day of such selection, exchange a

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Funding Note Certificate representing any portion of the Funding Note selected for redemption, register the transfer of any such portion of the Funding Note, except if the Funding Note is to be redeemed in part, with respect to the portion of the Funding Note not to be redeemed, or (ii) exchange a Funding Note Certificate representing any portion of the Funding Note the Holder or Holders of which shall have exercised the option pursuant to Section 3.2 to require Global Funding to repay such portion of the Funding Note prior to its Stated Maturity Date or register the transfer of such portion of the Funding Note except, if the Funding Note to be repaid in part, with respect to the portion of the Funding Note not to be repaid.

#### SECTION 2.7 MUTILATED, DESTROYED, LOST OR STOLEN FUNDING NOTE CERTIFICATES.

- (a) If (i) a mutilated Funding Note Certificate is surrendered to the Funding Note Indenture Trustee or Global Funding, or the Funding Note Indenture Trustee and Global Funding receive evidence to their satisfaction of the destruction, loss or theft of the Funding Note Certificate, and (ii) there is delivered to Global Funding and the Funding Note 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 Global Funding or the Funding Note Indenture Trustee that such Funding Note Certificate has been acquired by a protected purchaser, Global Funding shall execute and upon its request the Funding Note Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Funding Note Certificate, a new Funding Note Certificate representing a portion of the Funding Note of like tenor and principal amount, bearing a number not contemporaneously outstanding.
- (b) If any portion of the Funding Note represented by any such mutilated or apparently destroyed, lost or stolen Funding Note Certificate has become or is about to become due and payable, Global Funding in its discretion may, instead of issuing a new Funding Note Certificate, pay such amounts in respect of the portion of the Funding Note represented by such Funding Note Certificate.
- (c) Upon the execution, authentication and delivery of the new Funding Note Certificate under this Section, the Funding Note Indenture Trustee or Global Funding 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 Funding Note Indenture Trustee) connected therewith.
- (d) Any portion of the Funding Note represented by the Funding Note Certificate executed, authenticated and delivered pursuant to this Section in lieu of any apparently destroyed, lost or stolen Funding Note Certificate shall constitute an original additional contractual obligation of Global

Funding, whether or not any obligation with respect to the portion of the Funding Note represented by the apparently destroyed, lost or stolen Funding Note Certificate shall be at any time enforceable by any Person, and shall be entitled to all of the benefits of the Funding Note Indenture equally and proportionately with any portion of the Funding Note.

- (e) The provisions of this Section are exclusive with respect to the replacement of any mutilated or apparently destroyed, lost or stolen Funding Note Certificate or the payment of any portion of the Funding Note represented thereby and shall preclude all other rights and remedies with respect to the replacement of any mutilated or apparently destroyed, lost or stolen Funding Note Certificate or the payment of the portion of the Funding Note represented thereby.

#### SECTION 2.8 INTEREST RECORD DATES.

- (a) Interest on and Additional Amounts with respect to the Funding Note which is payable, on any interest payment date specified in the Funding Note Certificate or in any Supplemental Funding Note Indenture (each such date, an "INTEREST PAYMENT DATE") shall be paid to the Holder of the Funding Note at the close of business on the date specified as the regular interest record date in the Funding Note Certificate or Supplemental Funding Note Indenture (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 Funding Note Certificate or in any Supplemental Funding Note Indenture, any interest on, and any Additional Amounts with respect to, the Funding Note which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date specified in the Funding Note Certificates or Supplemental Funding Note Indenture (the "DEFAULTED INTEREST") shall forthwith cease to be payable to the Holder of the Funding Note on the relevant Regular Interest Record Date by virtue of having been such Holder, and such Defaulted Interest shall be paid by Global Funding to the Holder of such Funding Note at the close of business on a special record date (the "SPECIAL INTEREST RECORD DATE") established by Global Funding by notice to each applicable Holder and the Funding Note Indenture Trustee in accordance with Section 13.4, 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 Funding Note Indenture Trustee of the notice of the proposed payment of Defaulted Interest.

#### SECTION 2.9 CANCELLATION.

- (a) The Funding Note Certificate shall be surrendered for cancellation by or on behalf of the Issuing Trust, and shall be cancelled by the Funding Note

Indenture Trustee immediately upon the assignment by Global Funding to, or as directed by, the Issuing Trust of each Funding Agreement in accordance with the terms of the Funding Note and the Coordination Agreement, and such cancellation shall operate as a redemption of the Funding Note.

- (b) A Funding Note Certificate surrendered for exchange or in connection with any payment, redemption, transfer of a portion of the Funding Note represented thereby shall be delivered to the Funding Note Indenture Trustee and, if not already cancelled, shall be promptly cancelled by it. Global Funding may at any time deliver to the Funding Note Indenture Trustee for cancellation a Funding Note Certificate previously authenticated and delivered under the Funding Note Indenture which Global Funding may have acquired in any manner whatsoever, and each Funding Note Certificate so delivered shall be promptly cancelled by the Funding Note Indenture Trustee. No Funding Note Certificates shall be authenticated in lieu of or in exchange for the Funding Note Certificate cancelled as provided in this Section, except as expressly permitted by the Funding Note Indenture. The Funding Note Indenture Trustee shall destroy each cancelled Funding Note Certificate held by it and deliver a certificate of destruction to Global Funding. If Global Funding shall acquire the Funding Note, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Funding Note unless and until the Funding Note Certificate representing the

Funding Note is delivered to the Funding Note Indenture Trustee for cancellation.

SECTION 2.10 WITHHOLDING TAX. All amounts due in respect of the Funding Note 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 payments on the Funding Note unless the withholding or deduction is required by law. Unless otherwise specified in the Funding Note Certificate, Global Funding will not pay any Additional Amounts to the Holders of the Funding Note 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 or repay the Funding Note and shall not constitute an Event of Default.

SECTION 2.11 TAX TREATMENT. The parties agree, and each Holder and beneficial owner of the Funding Note by purchasing the Funding Note or any interest therein agrees, for all United States Federal, state and local income and franchise tax purposes (i) to treat the Funding Note and Funding Agreement as disregarded, (ii) that the surrender of the Funding Note by the Issuing Trust and the assignment and deposit of the Funding Agreement to the Issuing Trust, in accordance with the terms of the Coordination Agreement, will be ignored, (iii) Global Funding and the Issuing Trust will be ignored and will not be treated as an association or a publicly traded partnership taxable as a corporation and (iv) to not take any action inconsistent with the treatment described in (i), (ii) and (iii) unless otherwise required by law.

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### ARTICLE 3

#### REDEMPTION, REPAYMENT AND REPURCHASE OF FUNDING NOTE; SINKING FUNDS

##### SECTION 3.1 REDEMPTION OF FUNDING NOTE.

- (a) Redemption of the Funding Note by Global Funding as permitted or required by the Funding Note Indenture and the Funding Note Certificate will be made in accordance with the terms of the Funding Note and (except as otherwise provided in the Funding Note Indenture or pursuant to the Funding Note Indenture) this Section.
- (b) If any Initial Redemption Date is specified in the Funding Note Certificate, Global Funding may redeem the Funding Note 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 of \$1,000 or any other integral multiple of an authorized denomination of the Funding Note 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) Global Funding is required at any time to pay Additional Amounts or if Global Funding is obligated to withhold or deduct any United States taxes with respect to any payment under the Funding Note, as set forth in the Funding Note Certificate, or if there is a material probability that Global Funding 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's or Global Funding'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 the terms of such Funding Agreement, then Global Funding will redeem the Funding Note 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 Funding Note Indenture Trustee, Global Funding shall provide to the Funding Note Indenture Trustee a notice of redemption of the Funding Note (i) in case of any redemption at the election of Global Funding, not more than 60 days nor

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less than 35 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.

- (e) Unless otherwise specified in the Funding Note Indenture or the Funding Note Certificate, Global Funding shall give a notice of redemption to the Holder of the Funding Note to be redeemed at Global Funding's option (i) in case of any redemption at the election of Global Funding, 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, that in the case of any notice of redemption given pursuant to clause (ii) no such notice of redemption may be given earlier than 90 days prior to the earliest day on which Global Funding would become obligated to pay the applicable Additional Amounts were a payment in respect of the Funding Note then due. Failure to give such notice to the Holder of any portion of the Funding 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 portion of the Funding Note.

Any notice that is mailed to a Holder of the Funding Note in the manner provided for in Section 13.4 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 or, if not then ascertainable, the manner of calculation thereof,
  - (iii) in case of any redemption at the election of Global Funding, if any Outstanding portion of the Funding Note is to be redeemed, the identification and the principal amount of the portion of the Funding Note to be redeemed,
  - (iv) in case the Funding Note is to be redeemed in part only at the election of Global Funding, the notice which relates to the Funding Note shall state that on and after the Redemption Date, upon surrender of the Funding Note Certificate representing such portion of the Funding Note, the Holder of such portion of the Funding Note will receive, without charge, a new Funding Note Certificate representing an authorized denomination of the principal amount of the portion of the Funding Note owned by such Holder remaining unredeemed,
  - (v) that, on the Redemption Date, the Redemption Price shall become due and payable upon each such portion of the Funding Note to be  
redeemed, and, if applicable, that interest thereon shall cease to accrue on and after the Redemption Date,
  - (vi) the place or places where the Funding Note Certificate representing such portion of the Funding Note 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 Global Funding, that the redemption is for a sinking fund, and
  - (viii) any numbers used to identify any such portion of the Funding Note.
- (f) On or prior to any Redemption Date, Global Funding shall deposit, with respect to any portion of the Funding Note called for redemption pursuant to this Section, with the Funding Note 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 in the Funding Note Certificate) any unpaid interest accrued through the Redemption Date on, and any Additional Amounts payable with respect to, each such portion of the Funding Note to be redeemed on the Redemption Date.

- (g) On the Redemption Date, each portion of the Funding Note to be redeemed shall 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, each such portion of the Funding Note, and from and after such date (unless Global Funding shall default in the payment of the Redemption Price and any unpaid interest accrued on any such portion of the Funding Note through the Redemption Date) each such portion of the Funding Note shall cease to bear interest. Upon surrender of the Funding Note Certificate for redemption of each portion of the Funding Note represented thereby in accordance with the applicable notice of redemption, each such portion of the Funding Note shall be paid by Global Funding at the Redemption Price, together with any unpaid interest accrued thereon through the Redemption Date and any Additional Amounts payable with respect thereto.
- (h) If any portion of the Funding Note called for redemption shall not be so paid upon surrender of the Funding Note Certificate for redemption, the principal and any premium, until paid, shall bear interest from the Redemption Date at the rate specified in the Funding Note Certificate.

Upon surrender of the Funding Note Certificate for redemption of any portion of the Funding Note represented thereby in accordance with this Section, Global Funding shall execute

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and the Funding Note Indenture Trustee shall authenticate and deliver one or more new Funding Note Certificates of any authorized denomination representing an aggregate principal amount equal to the unredeemed portion of the Funding Note.

#### SECTION 3.2 REPAYMENT AT THE OPTION OF THE HOLDER.

- (a) If so specified in the Funding Note Certificate, the Holder or Holders of the Funding Note may require Global Funding to repay the Funding Note prior to the 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 Funding Note Certificate (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto).
- (b) If the Funding Note is repayable at the option of the Holder or Holders thereof before the Stated Maturity Date, it shall be repaid in accordance with the terms of the Funding Note.
- (c) The repayment of any portion of the principal amount of the Funding Note pursuant to any option of the applicable Holder or Holders to require repayment of any such portion of the Funding Note before the Stated Maturity Date shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Funding Note unless and until Global Funding, at its option, shall deliver or surrender each Funding Note Certificate representing each such portion of the Funding Note to the Funding Note Indenture Trustee with a directive that each such Funding Note Certificate be cancelled.
- (d) Notwithstanding anything to the contrary contained in this Section, in connection with any repayment of any portion of the Funding Note, Global Funding may arrange for the purchase of such portion of the Funding Note by an agreement with one or more investment bankers or other purchasers to purchase any such portion of the Funding Note by paying the Holder or Holders of any such portion of the Funding Note on or before the close of business on the Repayment Date an amount not less than the Repayment Price payable by Global Funding on repayment of such portion of the Funding Note, and the obligation of Global Funding to pay the Repayment Price of such portion of the Funding Note 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.

#### SECTION 3.3 REPURCHASE OF FUNDING NOTE.

(a) Global Funding may purchase the Funding Note or a portion thereof in the open market or otherwise at any time, and from time to time, with the prior written consent of the

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Funding Agreement Provider as to both the making of such purchase and the purchase price to be paid for such Funding Note.

(b) If the Funding Agreement Provider, in its sole discretion, consents to such purchase of the Funding Note or a portion thereof by Global Funding, the parties to the Funding Note Indenture agree to take such actions as may be necessary or desirable to effect the prepayment of such portion, or the entirety, of the current Principal Amount, under each applicable Funding Agreement as may be necessary to provide for the payment of the purchase price for such Funding Note. Upon such payment, the Principal Amount under each Funding Agreement shall be reduced (i) if the Funding Note bears interest at a fixed or floating rate, by an amount equal to the principal amount of the Funding Note or any portion thereof so purchased (or the portion thereof applicable to such Funding Agreement) and (ii) if the Funding Note does not bear interest at a fixed or floating rate, by an amount to be agreed between Global Funding and the Funding Agreement Provider to reflect such prepayment under the Funding Agreement(s).

(c) The parties acknowledge and agree that (i) notwithstanding anything to the contrary in the Funding Note Indenture, any repurchase of the Funding Note or a portion thereof in compliance with this Section 3.3 shall not violate any provision of the Funding Note Indenture or the Amended and Restated Trust Agreement and (ii) no Opinion of Counsel, Trust Certificate or any other document or instrument shall be required to be provided in connection with any repurchase of the Funding Note or a portion thereof pursuant to this Section 3.3.

(d) If applicable, Global Funding will comply with the requirements of Section 14(e) of the Exchange Act, and the rules promulgated thereunder, and any other applicable securities laws or regulations in connection with any repurchase pursuant to this Section 3.3.

#### SECTION 3.4 SINKING FUNDS.

Unless otherwise provided in the Funding Note Certificate, the Funding Note will not be subject to, or entitled to the benefit of, any sinking fund.

### ARTICLE 4

#### PAYMENTS; FUNDING NOTE PAYING AGENTS AND FUNDING NOTE CALCULATION AGENT; COVENANTS

##### SECTION 4.1 PAYMENT OF PRINCIPAL AND INTEREST.

- (a) Global Funding will duly and punctually pay or cause to be paid the principal of, any premium and interest on, and any Additional Amounts with respect to, the Funding Note, in accordance with the terms of the Funding Note and the Funding Note Indenture.
- (b) Unless otherwise specified in the Funding Note Certificate, upon the receipt of the funds necessary therefor, the applicable Funding Note 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, the Funding Note in

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immediately available funds against presentation and surrender of the applicable Funding Note Certificate (and in the case of any repayment of the Funding Note pursuant to Section 3.2, upon submission of a duly completed election form at an office or agency of such Funding Note Paying Agent maintained for such purpose pursuant to Section 4.2). The applicable Funding Note Paying Agent (unless such Funding Note Paying Agent is the Funding Note Indenture Trustee) shall promptly forward the Funding Note Certificate surrendered to it in connection with any payment pursuant to this Section for cancellation in accordance with Section 2.9. Unless otherwise specified in the Funding Note Certificate, upon the receipt of the funds necessary therefor, the applicable Funding Note Paying Agent shall duly and punctually make payments of principal of, any premium and interest on, and any Additional Amounts in respect of, the Funding Note payable on any date other than the Maturity Date by check mailed to the Holder (or to the first named of joint Holders) of the Funding Note at the close of business on the Regular Interest Record Date or Special Interest Record Date, as the case may be, at its address appearing in the Funding Note Register. Notwithstanding the foregoing, the applicable Funding Note Paying 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 entitled thereto (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 of the principal amount of the Funding Note by wire transfer of immediately available funds if the applicable Holder has delivered appropriate wire transfer instructions in writing to the applicable Funding Note 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 Funding Note Paying Agent shall remain in effect until revoked by the applicable Holder.

- (c) Unless otherwise specified in the Funding Note Certificate, if the Specified Currency of the Funding Note is other than U.S. Dollars, Global Funding 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, the Funding Note in the Specified Currency. Any amounts so payable by Global Funding in the Specified Currency will be converted by the Exchange Rate Agent into United States dollars for payment to the Holder or Holders thereof unless otherwise specified in the Funding Note Certificate or a Holder elects to receive such amounts in the Specified Currency as provided below.
- (d) If the Specified Currency of the Funding Note is other than U.S. Dollars, any United States dollar amount to be received by the Holder or Holders

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of the Funding Note 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 Global Funding 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 the Funding Note 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 a the Funding Note by deductions from any payments. If three bid quotations are not available, payments will be made in the Specified Currency.

- (e) If the Specified Currency of the Funding Note is other than U.S. Dollars, Holders of the Funding Note 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 Funding Note 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 15 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 Funding Note Indenture Trustee on or prior to the applicable Regular Interest Record Date or Special Interest Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.
- (f) If the Specified Currency of the Funding Note is other than U.S. Dollars, and the Specified Currency for the Funding Note 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 Global Funding's control, Global Funding will be entitled to satisfy its obligations with respect to the Funding Note 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.
- (g) If the Specified Currency of the Funding Note is other than U.S. Dollars, 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 the Funding Note.

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SECTION 4.2 OFFICES FOR PAYMENTS, ETC. So long as any portion of the Funding Note remains Outstanding, Global Funding will maintain in New York and in any other city that may be required by any stock exchange on which the Funding Note may be listed, and in any city specified in the Funding Note Certificate the following: (i) an office or agency where the Funding Note may be presented for payment, (ii) an office or agency where the Funding Note may be presented for registration of transfer and for exchange as provided in the Funding Note Indenture and (iii) an office or agency where notices and demands to or upon Global Funding in respect of the Funding Note or of the Funding Note Indenture may be served. Global Funding will give to the Funding Note Indenture Trustee written notice of the location of any such office or agency and of any change of location thereof. Global Funding initially designates the Corporate Trust Office of the Funding Note Indenture Trustee as the office or agency for each such purpose. In case Global Funding 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 APPOINTMENT TO FILL A VACANCY IN OFFICE OF FUNDING NOTE INDENTURE TRUSTEE. Global Funding, whenever necessary to avoid or fill a vacancy in the office of the Funding Note Indenture Trustee, will appoint, in the manner provided in Section 6.8, a trustee, so that there shall at all times be a trustee under the Funding Note Indenture.

SECTION 4.4 FUNDING NOTE PAYING AGENTS.

(a) Global Funding appoints the Funding Note Indenture Trustee as Funding Note Paying Agent with respect to the Funding Note and the Funding Note Indenture Trustee accepts such appointment. The Funding Note Indenture Trustee, in its capacity as Funding Note Paying Agent, agrees, and, whenever Global Funding shall appoint a Funding Note Paying Agent other than the Funding Note Indenture Trustee with respect to the Funding Note, Global Funding will cause such Funding Note Paying Agent to execute and deliver to Global Funding and the Funding Note Indenture Trustee an instrument in which such Funding Note Paying Agent shall agree with Global Funding and the Funding Note 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 Funding Note (whether such sums have been paid to it by the Funding Agreement Provider, Global Funding or by any other obligor on the Funding Note) in trust for the benefit of each Holder of the Funding Note 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 Funding Note Collateral for the benefit of the Holders of the Funding Note in a segregated non-interest bearing account maintained or controlled by the Funding Note Indenture Trustee, consistent with the rating of the Funding Note;

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(ii) give the Funding Note Indenture Trustee notice of any failure by Global Funding (or by any other obligor on the Funding Note) to make any payment of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Funding Note when the same shall be due and payable;

(iii) pay any such sums so held in trust by it to the Funding Note Indenture Trustee upon the Funding Note 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 the Funding Note Indenture and the terms of the Funding Note; and

(v) comply with all agreements of Funding Note Paying Agents in, and perform all functions and obligations imposed on Funding Note Paying Agents by or pursuant to, the Funding Note Indenture and the Funding Note Certificate or Supplemental Funding Note Indenture.

(b) Global Funding will, at or prior to 9:30 a.m. (New York City time) on each due date of the principal of, any premium and interest on, or any Additional Amounts with respect to, the Funding Note, deposit or cause to be deposited with the

applicable Funding Note Paying Agent a sum sufficient to pay such principal, any interest or premium, and any Additional Amounts, and (unless such Funding Note Paying Agent is the Funding Note Indenture Trustee) Global Funding will promptly notify the Funding Note Indenture Trustee of any failure to take such action.

- (c) Anything in this Section to the contrary notwithstanding, Global Funding may at any time, for the purpose of obtaining a satisfaction and discharge of the Funding Note under the Funding Note Indenture, pay or cause to be paid to the Funding Note Indenture Trustee all sums held in trust by Global Funding or any Funding Note Paying Agent under the Funding Note Indenture, as required by this Section, such sums to be held by the Funding Note Indenture Trustee upon the terms contained in the Funding Note Indenture; PROVIDED, HOWEVER, in order to obtain such satisfaction or discharge of the Funding Note, that such sums paid to the Funding Note Indenture Trustee must be at least equal to the amounts due and owing on the Funding Note, including outstanding principal, premium, accrued but unpaid interest and Additional Amounts.
- (d) 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.

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- (e) The applicable Funding Note Paying Agent shall (i) collect all forms from each Holder of the Funding Note (or from such other Persons as are relevant) that are required to exempt payments under the Funding Note and/or the related Funding Agreement(s) 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 Funding Note 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 Global Funding and the Funding Agreement Provider.
- (f) Each Funding Note Paying Agent shall forward to Global Funding at least monthly a bank statement in its possession with respect to the performance of its functions and obligations with respect to the Funding Note.
- (g) Global Funding shall pay the compensation of each Funding Note Paying Agent at such rates as shall be agreed upon in writing by Global Funding and the relevant Funding Note Paying Agent from time to time and shall reimburse each Funding Note Paying Agent for reasonable expenses properly incurred by such Funding Note Paying Agent in connection with the performance of its duties upon receipt of such invoices as Global Funding shall reasonably require.
- (h) Subject as provided below, each Funding Note Paying Agent may at any time resign as Funding Note Paying Agent by giving not less than 60 days' written notice to Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Paying Agent) of such intention on it part, specifying the date on which its resignation shall become effective. Except as provided below, Global Funding may remove a Funding Note 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 Global Funding of a successor Funding Note Paying Agent; and
  - (ii) the acceptance of such appointment by such successor Funding Note Paying Agent,

PROVIDED that with respect to any Funding Note Paying Agent who timely receives any amount with respect to the Funding Note and fails duly to pay any such amounts when due and payable in accordance with the terms of the Funding Note Indenture and the Funding Note, any such removal will take effect immediately upon such appointment of, and acceptance thereof by, a successor Funding Note Paying Agent approved by the Funding Note Indenture Trustee (unless the Funding Note Indenture

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Trustee is such Funding Note Paying Agent), in which event notice

of such appointment shall be given to each Holder of the Funding Note as soon as practicable thereafter. Global Funding agrees with each Funding Note Paying Agent that if, by the day falling 10 days before the expiration of any notice given pursuant to this Section 4.4(i), Global Funding has not appointed a replacement Funding Note Paying Agent, then the Funding Note Paying Agent shall be entitled, on behalf of Global Funding, to appoint in its place a reputable financial institution of good standing reasonably acceptable to Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Paying Agent); PROVIDED, HOWEVER, that notwithstanding the foregoing, the resignation or removal of the relevant Funding Note Paying Agent shall not be effective unless, upon the expiration of the notice given pursuant to this Section 4.5(i), the successor Funding Note Paying Agent shall have accepted its appointment. Upon its resignation or removal becoming effective, the retiring Funding Note Paying Agent shall be entitled to the payment of its compensation and reimbursement of all expenses incurred by such retiring Funding Note Paying Agent pursuant to Section 4.4(h) up to the effective date of such resignation or removal.

- (i) If at any time a Funding Note Paying Agent shall resign or be removed, or shall become incapable of acting with respect to the Funding Note, or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of such Funding Note Paying Agent or of its property shall be appointed, or any public officer shall take charge or control of such Funding Note Paying Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation, then a successor Funding Note Paying Agent shall be appointed by Global Funding by an instrument in writing filed with the successor Funding Note Paying Agent. Upon any such appointment of, and the acceptance of such appointment by, a successor Funding Note Paying Agent and (except in cases of removal for failure to timely pay any amounts as required by or pursuant to the Funding Note Indenture or the Funding Note Certificate or Supplemental Funding Note Indenture) the giving of notice to each Holder of the Funding Note, the retiring Funding Note Paying Agent shall cease to be Funding Note Paying Agent under the Funding Note Indenture.
- (j) Any successor Funding Note Paying Agent appointed under the Funding Note Indenture shall execute and deliver to its predecessor, Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Paying Agent) a reasonably acceptable instrument accepting such appointment under the Funding Note Indenture, and thereupon such successor Funding Note 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 Funding Note Paying Agent under the Funding Note Indenture, and such predecessor,

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upon payment of any amounts due pursuant to Section 4.4(h) and unpaid, shall thereupon become obliged to transfer and deliver, and such successor Funding Note Paying Agent shall be entitled to receive, copies of any relevant records maintained by such predecessor Funding Note Paying Agent.

- (k) Any corporation into which a Funding Note 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 Funding Note Paying Agent shall be a party, or any corporation succeeding to all or substantially all of the paying agency business of such Funding Note Paying Agent shall be a successor Funding Note Paying Agent under the Funding Note Indenture without the execution or filing of any paper or any further act on the part of any of the parties, anything in the Funding Note Indenture to the contrary notwithstanding. At least 30 days' prior notice of any such merger, conversion or consolidation shall be given to Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Paying Agent).

#### SECTION 4.5 FUNDING NOTE CALCULATION AGENT.

- (a) Global Funding appoints the Funding Note Indenture Trustee as Funding Note Calculation Agent, and the Funding Note Indenture Trustee accepts such appointment.
- (b) The relevant Funding Note Calculation Agent shall perform all functions and obligations imposed on such Funding Note

Calculation Agent by or pursuant to the Funding Note Indenture, and the Funding Note Certificate or supplemental Funding Note Indenture.

- (c) Each Funding Note Calculation Agent, excluding the Funding Note Indenture Trustee, shall forward to Global Funding at least monthly a report providing details with respect to the performance of its functions and obligations with respect to the Funding Note which shall include dates and amounts of forthcoming payments with respect to the Funding Note.
- (d) The relevant Funding Note Calculation Agent shall, upon the request of any relevant Holder of the Funding Note, 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 Funding Note.
- (e) All determinations of interest by the Funding Note Calculation Agent shall, in the absence of manifest errors, be conclusive for all purposes and binding on the Holders of the Funding Note.
- (f) Global Funding shall pay the compensation of each Funding Note Calculation Agent at such rates as shall be agreed upon in writing by

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Global Funding and the relevant Funding Note Calculation Agent from time to time and shall reimburse each Funding Note Calculation Agent for reasonable expenses properly incurred by such Funding Note Calculation Agent in connection with the performance of its duties upon receipt of such invoices as Global Funding shall reasonably require.

- (g) Subject as provided below, each Funding Note Calculation Agent may at any time resign as Funding Note Calculation Agent by giving not less than 60 days' written notice to Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Calculation Agent) of such intention on its part, specifying the date on which its resignation shall become effective. Except as provided below, Global Funding may remove a Funding Note 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 Global Funding of a successor Funding Note Calculation Agent; and
  - (ii) the acceptance of such appointment by such successor Funding Note Calculation Agent,

PROVIDED that with respect to any Funding Note 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 Funding Note Calculation Agent approved by the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Calculation Agent), in which event notice of such appointment shall be given to each Holder of the Funding Note as soon as practicable thereafter. Global Funding agrees with each Funding Note Calculation Agent that if, by the day falling 10 days before the expiration of any notice given pursuant to this Section 4.5(g), Global Funding has not appointed a replacement Funding Note Calculation Agent, then the Funding Note Calculation Agent shall be entitled, on behalf of Global Funding, to appoint in its place a reputable financial institution of good standing reasonably acceptable to Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Calculation Agent); PROVIDED, HOWEVER, that notwithstanding the foregoing, the resignation or removal of the relevant Funding Note Calculation Agent shall not be effective unless, upon the expiration of the notice given pursuant to this Section 4.5(g), the successor Funding Note Calculation Agent shall have accepted its appointment. Upon its resignation or removal becoming effective, the retiring Funding Note Calculation Agent shall be entitled to the payment of its compensation and reimbursement of all expenses incurred by such retiring Funding Note

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Calculation Agent pursuant to Section 4.5(f) up to the effective

date of such resignation or removal.

- (h) If at any time a Funding Note Calculation Agent shall resign or be removed, or shall become incapable of acting with respect to the Funding Note, or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of such Funding Note Calculation Agent or of its property shall be appointed, or any public officer shall take charge or control of such Funding Note Calculation Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation, then a successor Funding Note Calculation Agent shall be appointed by Global Funding by an instrument in writing filed with the successor Funding Note Calculation Agent. Upon any such appointment of, and the acceptance of such appointment by, a successor Funding Note 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 Funding Note, the retiring Funding Note Calculation Agent shall cease to be Funding Note Calculation Agent under the Funding Note Indenture.
- (i) Any successor Funding Note Calculation Agent appointed under the Funding Note Indenture shall execute and deliver to its predecessor, Global Funding and the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Calculation Agent) a reasonably acceptable instrument, accepting such appointment under the Funding Note Indenture, and thereupon such successor Funding Note 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 Funding Note Calculation Agent under the Funding Note Indenture, and such predecessor, upon payment of any amounts due pursuant to Section 4.5(f) and unpaid, shall thereupon become obliged to transfer and deliver, and such successor Funding Note Calculation Agent shall be entitled to receive, copies of any relevant records maintained by such predecessor Funding Note Calculation Agent.
- (j) Any corporation into which a Funding Note 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 Funding Note Calculation Agent shall be a party, or a corporation succeeding to all or substantially all of the paying agency business of such Funding Note Calculation Agent shall be a successor Funding Note Calculation Agent under the Funding Note Indenture without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything in the Funding Note Indenture to the contrary notwithstanding. At least 30 days' prior notice of any such merger, conversion or consolidation shall be given to Global Funding and

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the Funding Note Indenture Trustee (unless the Funding Note Indenture Trustee is such Funding Note Calculation Agent).

SECTION 4.6 CERTIFICATE TO FUNDING NOTE INDENTURE TRUSTEE. Global Funding will furnish to the Funding Note 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 Global Funding's compliance with all conditions and covenants under the Funding Note Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under the Funding Note Indenture).

SECTION 4.7 NEGATIVE COVENANTS. So long as any portion of the Funding Note is Outstanding, Global Funding will not, except as otherwise expressly permitted under the Funding Note Indenture 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 Funding Note Collateral securing its Obligations under the Funding Note and the Funding Note 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 Amended and Restated Trust Agreement, the Funding Note Indenture, the Amended and Restated Administrative Services Agreement, the Distribution Agreement, the Amended and Restated Support Agreement, the Series Instrument, the Closing Instrument and each Funding Agreement; the issuance and sale of the Funding Note pursuant to the Funding Note Indenture; 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 Funding Note or as otherwise contemplated under the Funding Note Indenture or under the Amended and Restated Trust Agreement;
- (iv) (A) permit the validity or effectiveness of the Funding Note Indenture or the Security Interest securing the Funding Note 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, except as expressly permitted thereunder, under the Funding Note Indenture, the Amended and Restated 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 Funding Note) on any of its properties or assets (whenever acquired), or any interest therein or the proceeds thereof, or (D) permit a lien with respect to

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the Funding Note Collateral not to constitute a valid first priority perfected security interest in the Funding Note Collateral;

- (v) amend, modify or fail to comply with any material provision of the Amended and Restated Trust Agreement, except for any amendment or modification of the Amended and Restated Trust Agreement expressly permitted thereunder or under the Funding Note Indenture or the relevant Funding Agreement(s);
- (vi) own any subsidiary or lend or advance any funds to, or make any investment in, any Person, except for (A) the investment of any funds of Global Funding in the Funding Agreement(s) and (B) the investment of any funds of Global Funding held by the Funding Note Indenture Trustee, a Funding Note Paying Agent, the Delaware Trustee or the Global Funding Administrator as provided in the Funding Note Indenture or the Amended and Restated 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 Funding Note, PROVIDED that Global Funding may declare or pay a distribution or make any distribution or other payment to the Global Funding Trust Beneficial Owner in compliance with the Amended and Restated Trust Agreement if Global Funding has paid or made provision for the payment of all amounts due to be paid on the Funding Note, and pay all of its debt, liabilities, obligations and expenses, the payment of which is provided for under the Amended and Restated Support 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 Global Funding not to be either ignored or treated as a grantor trust for United States Federal income tax purposes;
- (xi) issue the Funding Note unless the Funding Agreement Provider has affirmed in writing to Global Funding 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

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collateral purposes of, the relevant Funding Agreement(s) by Global Funding to the Funding Note Indenture Trustee in accordance with the terms of such Funding Agreement(s) and the Funding Note Indenture and Global Funding has taken such other steps as may be necessary to cause the Security Interest in or assignment for all collateral purposes of, the Funding Note Collateral to be perfected for purposes of the UCC or effective against its creditors and subsequent purchasers of the Funding Note Collateral pursuant to insurance or other state laws;

- (xii) make any deduction or withholding from any payment of principal of or interest on the Funding Note (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 the Funding Note Collateral except to the extent specified in the Funding Note Indenture or the Funding Note Certificate or Supplemental Funding Note Indenture;
- (xiii) have any employees other than the Delaware Trustee and the Global Funding Administrator or any other persons necessary to conduct its business and enter into transactions contemplated under the Funding Note Indenture, the Amended and Restated Trust Agreement, the Amended and Restated Administrative Services Agreement, the Distribution Agreement, the Amended and Restated Support Agreement, the Series Instrument, the Closing Instrument or any Funding Agreement;
- (xiv) have an interest in any bank account other than the accounts required under the Funding Note Indenture, the Amended and Restated Trust Agreement, the Distribution Agreement or any Funding Agreement and those accounts expressly permitted by the Funding Note Indenture Trustee; PROVIDED that any such further accounts or such interest of Global Funding therein shall be charged or otherwise secured in favor of the Funding Note Indenture Trustee on terms acceptable to the Funding Note Indenture Trustee;
- (xv) permit any Affiliate, employee or officer of the Funding Agreement Provider or any Agent to be a trustee of Global Funding in respect of the Funding Note; or
- (xvi) commingle any of its assets with any assets of any of Global Funding's Affiliates, or guarantee any obligation of any of Global Funding's Affiliates.

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#### SECTION 4.8 ADDITIONAL AMOUNTS.

If the Funding Note Certificate provides for the payment of Additional Amounts, Global Funding agrees to pay to the Holder of any such Funding Note Additional Amounts as provided in the Funding Note Certificate. Whenever in the Funding Note Indenture there is mentioned, in any context, the payment of the principal of, or interest or premium on, or in respect of, the Funding Note or the net proceeds received on the sale or exchange of the Funding Note, such reference shall be deemed to include reference to the payment of Additional Amounts provided by the terms established by the Funding Note Indenture or pursuant to the Funding Note Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to such terms, and express reference to the payment of Additional Amounts in any provision of the Funding Note Indenture shall not be construed as excluding Additional Amounts in those provisions hereof where such express reference is not made.

If the Funding Note Certificate provides for the payment of Additional Amounts, the Funding Note Certificate will provide that Global Funding will pay, or cause to be paid, Additional Amounts to a Holder of the Funding Note 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 Funding Note 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 Funding Note, after giving effect to such withholding or deduction, whether or not currently payable, will equal the amount that would have been received under the Funding Note 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 the Funding Note, (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 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 Funding 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 the purchase by the Holder of the Funding Note;
- (b) any tax, duty, levy, assessment or other governmental charge which would not have been imposed but for the presentation of the Funding Note

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(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 the Funding Note 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 the Funding 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;
- (d) any inheritance, gift, estate, personal property, sales, transfer or similar tax, duty, levy, assessment, or similar governmental charge;
- (e) any tax, duty, levy, assessment or other governmental charge that is payable otherwise than by withholding from payments in respect of the Funding Note;
- (f) any tax, duty, levy, assessment or other governmental charge imposed by reason of payments on the Funding Note being treated as contingent interest described in Section 871(h)(4) of the Code for United States Federal income tax purposes provided that such treatment was described in the Funding Note Certificate;
- (g) any tax, duty, levy, assessment or other governmental charge that would not have been imposed but for an election by the Holder of the Funding Note, the effect of which is to make payment in respect of the Funding Note subject to United States Federal income tax or withholding tax provisions; or
- (h) any combination of items (a), (b), (c), (d), (e), (f) or (g) above.

#### ARTICLE 5

#### REMEDIES OF THE FUNDING NOTE 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 the Funding Note wherever used in the Funding Note Indenture, 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

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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, the Funding Note;
  - (ii) default in the payment, when due and payable, of any interest on, or any Additional Amounts with respect to, the Funding Note 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 Funding Note, by the Funding Agreement Provider under such Funding Agreement;
  - (iv) Global Funding shall fail to observe or perform any covenant contained in the Funding Note or in the Funding Note 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" under the Funding Note Indenture and demanding that Global Funding remedy the same, shall have been given by registered or certified mail, return receipt requested, to Global Funding by the Funding Note Indenture Trustee, or to Global Funding and the Funding Note Indenture Trustee by the Holder or Holders of at least 25% of the outstanding principal amount of the Funding Note; or
  - (v) the Funding Note Indenture for any reason shall cease to be in full force and effect or shall be declared null and void, or the Funding Note Indenture Trustee shall fail to have or maintain a validly created and first priority perfected security interest (or the equivalent thereof) in the Funding Note Collateral; 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 Funding Note and any other Person for whose benefit the Funding Note Indenture Trustee is or will be holding the Funding Note Collateral, that the Funding Note 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 Global Funding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, reorganization or other similar law 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  

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unstayed for a period of 60 days; or an order for relief shall be entered against Global Funding under the Federal bankruptcy laws as now or hereafter in effect;
  - (vii) Global Funding 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 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
  - (viii) any other Event of Default provided in any Supplemental Funding Note Indenture or in the Funding Note Certificate.
- (b) If one or more Events of Default shall have occurred and be continuing with respect to the Funding Note, then, and in every such event, unless the principal of the Funding Note shall have already become due and payable, either the Funding Note Indenture Trustee or the Holder or Holders of not less than 25% of the outstanding principal amount of the Funding Note by notice in

writing to Global Funding (and to the Funding Note Indenture Trustee if given by such Holder or Holders), may declare the entire principal and premium (if any) of the Funding Note, 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 Global Funding, or if any Event of Default specified in Section 5.1(a)(iii) that would cause any Funding Agreement securing the Funding Note to become immediately due and payable occurs with respect to the Funding Agreement Provider, then without any notice to Global Funding or any other act by the Funding Note Indenture Trustee or any Holder of the Funding Note, the entire principal and premium (if any) of the Funding Note, 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 Global Funding.

- (c) Notwithstanding Section 5.1(b), if at any time after the principal and premium of the Funding Note, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto shall have been so declared due and payable and before any

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judgment or decree for the payment of the funds due shall have been obtained or entered as provided in the Funding Note Indenture, Global Funding shall pay or shall deposit with the Funding Note 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 to, the Funding Note and the principal and premium (if any) of the Funding Note 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 Funding Note Certificate to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee, their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee except as a result of negligence or bad faith, and if any and all Events of Default under the Funding Note Indenture, other than the non-payment of the principal of and premium (if any) on the Funding Note which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided in the Funding Note Indenture, then and in every such case the Holder Representative (as defined in Section 5.8(a) hereof), by written notice to Global Funding and to the Funding Note 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 FUNDING NOTE INDENTURE TRUSTEE; FUNDING NOTE 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, Global Funding will, upon demand by the Funding Note Indenture Trustee, pay to the Funding Note Indenture Trustee for the benefit of each Holder of the Funding Note 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 Funding Note (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 Funding Note); and in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee, their respective agents,

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attorneys and counsel, and any expenses and liabilities incurred, and all advances made, by the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee except as a result of its negligence or bad faith.

- (b) Until such demand is made by the Funding Note Indenture Trustee, Global Funding 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 Funding Note to the Holders, whether or not the Funding Note be overdue.
- (c) If Global Funding shall fail to pay such amounts upon such demand, the Funding Note 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 Global Funding or other obligor upon the Funding Note and collect in the manner provided by law out of the property of Global Funding or other obligor upon the Funding Note, wherever the funds adjudged or decreed to be payable are situated. If there shall be pending proceedings relative to Global Funding or any other obligor upon the Funding Note 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 Global Funding or its property or such other obligor, or in case of any other comparable judicial proceedings relative to Global Funding or other obligor upon the Funding Note, or to the creditors or property of Global Funding or such other obligor, the Funding Note Indenture Trustee, irrespective of whether the principal of the Funding Note shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Funding Note 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 Funding Note Indenture Trustee (including any claim for reasonable compensation to the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee, except as those adjudicated in a court of competent jurisdiction to be the result of any such Funding Note Indenture Trustee's negligence or bad

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faith) and of the Holders allowed in any judicial proceedings relative to Global Funding or other obligor upon the Funding Note, or to the creditors or property of Global Funding or such other obligor,

- (ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of the Funding Note 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 Funding Note 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 Funding Note Indenture Trustee, and, in the event that the Funding Note Indenture Trustee shall consent to the making of payments directly to any Holder, to pay to the Funding Note Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Funding Note Indenture Trustee, each predecessor Funding Note Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the

Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee except as those adjudicated in a court of competent jurisdiction to be the result of any such Funding Note Indenture Trustee's negligence or bad faith.

- (d) Nothing contained in the Funding Note Indenture shall be deemed to authorize the Funding Note 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 Funding Note or the rights of any Holder thereof, or to authorize the Funding Note 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 the Funding Note Indenture, or under the Funding Note, may be enforced by the Funding Note Indenture Trustee without the possession of the Funding Note or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Funding Note 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,

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disbursements and compensation of the Funding Note Indenture Trustee, each predecessor Funding Note Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of each Holder.

- (f) In any proceedings brought by the Funding Note Indenture Trustee (and also any proceedings involving the interpretation of any provision of the Funding Note Indenture to which the Funding Note Indenture Trustee shall be a party) the Funding Note Indenture Trustee shall be held to represent every Holder of the Funding Note, and it shall not be necessary to make any Holder of the Funding Note party to any such proceedings.

#### SECTION 5.3 APPLICATION OF PROCEEDS.

- (a) Any funds collected by the Funding Note Indenture Trustee following an Event of Default pursuant to this Article or otherwise under the Funding Note Indenture and any applicable Supplemental Funding Note Indenture in respect of the Funding Note shall be applied in the following order at the date or dates fixed by the Funding Note 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 Funding Note Certificate or Funding Note Certificates representing the Funding Note 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 Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee and their respective agents and attorneys and of all expenses and liabilities incurred, and all advances made, by the Funding Note Indenture Trustee and each predecessor Funding Note Indenture Trustee except as those adjudicated in a court of competent jurisdiction to be the result of any such Funding Note Indenture Trustee's negligence or bad faith, in an aggregate amount of no more than \$250,000 to the extent not paid pursuant to the Amended and Restated Support Agreement;

SECOND: To the payment of principal, any premium and interest, any Additional Amounts and any other amounts then due and owing on the Funding Note, ratably, without preference or priority of any kind, according to the aggregate principal amounts due and payable on the Funding Note;

THIRD: To the payment of any other Obligations then due and owing with respect to the Funding Note, ratably, without preference or priority of any kind; and

FOURTH: To the payment of any remaining balance to Global Funding.

- (b) Any funds collected by the Funding Note Indenture Trustee where no Event of Default exists pursuant to Article 5 or otherwise under the Funding Note Indenture and any applicable Supplemental Funding Note Indenture in respect of the Funding Note shall be applied in the following order at the date or dates fixed by the Funding Note 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 Funding Note Certificate or Funding Note Certificates representing the Funding Note and the notation thereon of the payment if only partially paid or upon the surrender thereof if fully paid:

FIRST: To the payment of principal, any premium and interest, any Additional Amounts, and any other amounts then due and owing on the Funding Note, ratably, without preference or priority of any kind, according to the aggregate principal amounts due and payable on the Funding Note;

SECOND: To the payment of any other Obligations then due and owing with respect to the Funding Note, ratably, without preference or priority of any kind; and

THIRD: To the payment of any remaining balance to Global Funding.

SECTION 5.4 SUITS FOR ENFORCEMENT. If an Event of Default has occurred, has not been waived and is continuing, the Funding Note Indenture Trustee may in its discretion proceed to protect and enforce the rights vested in it by the Funding Note Indenture by such appropriate judicial proceedings as the Funding Note 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 the Funding Note Indenture or in aid of the exercise of any power granted in the Funding Note Indenture or to enforce any other legal or equitable right vested in the Funding Note Indenture Trustee by the Funding Note Indenture or by law.

SECTION 5.5 RESTORATION OF RIGHTS ON ABANDONMENT OF PROCEEDINGS. If the Funding Note Indenture Trustee shall have proceeded to enforce any right under the Funding Note Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Funding Note Indenture Trustee, then and in every such case Global Funding and the Funding Note Indenture Trustee shall be restored respectively to their former positions and rights under the Funding Note Indenture, and all rights, remedies and powers of Global Funding, the Funding Note 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 the Funding Note shall have any right by virtue or by availing of any provision of the Funding Note Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to the Funding Note Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy under the Funding Note Indenture, unless:

- (i) such Holder has previously given written notice to the Funding Note Indenture Trustee of a continuing Event of Default;
- (ii) the Holder or Holders of the Funding Note representing not less than 25% of the then outstanding principal amount of the Funding Note shall have made written request to the Funding Note

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Indenture Trustee to institute proceedings in respect of such Event of Default in its own name as the Funding Note Indenture Trustee;

- (iii) such Holder or Holders have offered to the Funding Note Indenture Trustee indemnity or security satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;
- (iv) the Funding Note 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
- (v) no direction inconsistent with such written request shall have been given to the Funding Note Indenture Trustee during such 60-day period by the Holder or Holders of the Funding Note representing at least 66 2/3% of the then outstanding principal amount of the Funding Note;

it being understood and intended, and being expressly covenanted by each Holder of the Funding Note with each other Holder of the Funding Note and the Funding Note Indenture Trustee, that no Holder or Holders of the Funding Note shall have any right in any manner whatever by virtue of, or by availing of, any provision

of the Funding Note Indenture to affect, disturb or prejudice the rights of any other Holder of the Funding Note, or to obtain or seek to obtain priority over or preference to any other Holder of the Funding Note or to enforce any right under the Funding Note Indenture, except in the manner provided herein and for the equal, ratable and common benefit of all the Holders of the Funding Note. For the protection and enforcement of the provisions of this Section, each Holder and the Funding Note Indenture Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in the Funding Note Indenture, however, the right of any Holder of the Funding 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, if any, with respect to the Funding Note, on or after the respective due dates expressed in the Funding 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 in the Funding Note Indenture conferred upon or reserved to the Funding Note 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 under the Funding Note Indenture or existing at law or in equity or otherwise. The assertion or employment of any right or remedy under the Funding

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Note Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

- (b) No delay or omission of the Funding Note Indenture Trustee or of any Holder of the Funding Note 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 power and remedy given by the Funding Note Indenture or by law to the Funding Note Indenture Trustee or to any Holder may be exercised from time to time, and as often as shall be deemed expedient, by the Funding Note Indenture Trustee or by such Holder.

**SECTION 5.8 CONTROL BY THE HOLDERS.**

- (a) The Holders of a majority of the then outstanding principal amount of the Funding Note shall have the right to elect a holder representative (the "HOLDER REPRESENTATIVE") who shall have binding authority upon all the Holders and who shall direct the time, method, and place of conducting any proceeding for any remedy available to the Funding Note Indenture Trustee, or exercising any trust or power conferred on the Funding Note Indenture Trustee by the Funding Note Indenture, PROVIDED that:
  - (i) such direction shall not be otherwise than in accordance with law and the provisions of the Funding Note Indenture; and
  - (ii) subject to the provisions of Section 6.1, the Funding Note Indenture Trustee shall have the right to decline to follow any such direction if the Funding Note Indenture Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Funding Note Indenture Trustee in good faith by its board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Funding Note Indenture Trustee shall determine that the action or proceedings so directed would involve the Funding Note Indenture Trustee in personal liability.
- (b) Nothing in the Funding Note Indenture shall impair the right of the Funding Note Indenture Trustee in its discretion to take any action deemed proper by the Funding Note 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 Funding Note as provided in Section 5.1, the Holder Representative may on behalf of the Holders of the Funding Note waive any past default or Event of Default under the Funding Note Indenture 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, the Funding Note; or
- (ii) in respect of a covenant or provision of the Funding Note Indenture which cannot be modified or amended without the consent of the Holder or Holders of the Funding Note.

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 the Funding Note 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 FUNDING NOTE INDENTURE TRUSTEE

SECTION 6.1 CERTAIN DUTIES AND RESPONSIBILITIES.

- (a) Except if an Event of Default has occurred and is continuing (and it has not been cured or waived), the Funding Note Indenture Trustee undertakes to perform in a prudent manner such duties and only such duties with respect to the Funding Note as are specifically set forth in the Funding Note Indenture. No implied covenants or obligations shall be read into the Funding Note Indenture against the Funding Note Indenture Trustee.
- (b) If an Event of Default has occurred and is continuing (and it has not been cured or waived), the Funding Note Indenture Trustee shall exercise such of the rights and powers with respect to the Funding Note vested in it by the Funding Note 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 the Funding Note Indenture shall be construed to relieve the Funding Note 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 Funding Note 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 Funding Note Indenture Trustee and conforming to the requirements of the Funding Note Indenture unless a Responsible Officer of the Funding Note Indenture Trustee has actual knowledge that such statements or opinions are false; PROVIDED that the Funding Note Indenture Trustee must

examine such certificates and opinions to determine whether they conform to the requirements of the Funding Note Indenture;

- (iii) the Funding Note Indenture Trustee shall not be liable for any error of judgment made in good faith by any Responsible Officer of the Funding Note Indenture Trustee, unless it is proved that the Funding Note Indenture Trustee was negligent in ascertaining the pertinent facts;
- (iv) the Funding Note 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 Representative relating to the time, method and place of conducting any proceeding for any remedy available to the Funding Note Indenture Trustee, or exercising any trust or power conferred upon the Funding Note Indenture Trustee, under the Funding Note Indenture with respect to the Funding Note; and
- (v) no provision of the Funding Note Indenture shall require the Funding Note Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Funding Note Indenture, 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 the Funding Note Indenture relating to the conduct or affecting the liability of or affording protection to the Funding Note Indenture Trustee shall be subject to the provisions of this Section.

SECTION 6.2 CERTAIN RIGHTS OF THE FUNDING NOTE INDENTURE TRUSTEE.

Subject to Section 6.1:

- (a) the Funding Note 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 Global Funding mentioned in the Funding Note Indenture shall be sufficiently evidenced by a Trust Certificate (unless other evidence in respect thereof be specifically prescribed in the Funding Note Indenture);
- (c) the Funding Note Indenture Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and

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protection in respect of any action taken, suffered or omitted to be taken by it under the Funding Note Indenture in good faith and in reliance on such advice or Opinion of Counsel;

- (d) the Funding Note Indenture Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by the Funding Note Indenture at the request, order or direction of any Holder Representative pursuant to the provisions of the Funding Note Indenture, unless such Holder Representative shall have offered to the Funding Note Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request, order or direction;
- (e) whenever in the administration of the Funding Note Indenture the Funding Note Indenture Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action under the Funding Note Indenture, such matter (unless other evidence in respect thereof be specifically prescribed in the Funding Note Indenture) may, in the absence of negligence or bad faith on its part, be deemed to be conclusively proved and established by a Trust Certificate delivered to the Funding Note Indenture Trustee;
- (f) the Funding Note 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 the Funding Note Indenture;
- (g) the Funding Note 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 Representative; PROVIDED that, if the payment within a reasonable time to the Funding Note 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 Funding Note Indenture Trustee, not reasonably assured to the Funding Note Indenture Trustee by the security afforded to it by the terms of the Funding Note Indenture, the Funding Note 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 Global Funding or, if paid by the Funding Note Indenture Trustee or any predecessor trustee, shall be repaid by Global Funding upon demand; and
- (h) the Funding Note Indenture Trustee may execute any of the trusts or powers under the Funding Note Indenture or perform any duties under the Funding Note Indenture either directly or by or through

attorneys not regularly in its employ and the Funding Note 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 under the Funding Note Indenture.

SECTION 6.3 NOT RESPONSIBLE FOR RECITALS, VALIDITY OF THE FUNDING NOTE OR APPLICATION OF THE PROCEEDS. The recitals contained in the Funding Note Indenture and in the Funding Note, except the Funding Note Indenture Trustee's certificates of authentication, shall be taken as the statements of Global Funding, and the Funding Note Indenture Trustee assumes no responsibility for the correctness of the same. The Funding Note Indenture Trustee makes no representation as to the validity or sufficiency of the Funding Note Indenture or of the Funding Note. The Funding Note Indenture Trustee shall not be accountable for the use or application by Global Funding of the Funding Note or of the proceeds thereof.

SECTION 6.4 MAY HOLD FUNDING NOTE; COLLECTIONS, ETC. The Funding Note Indenture Trustee or any agent of Global Funding or the Funding Note Indenture Trustee, in its individual or any other capacity, may become the owner or pledgee of the Funding Note with the same rights it would have if it were not the Funding Note Indenture Trustee or such agent and, subject to Section 6.7 and Section 311(a) of the Trust Indenture Act, may otherwise deal with Global Funding and receive, collect, hold and retain collections from Global Funding with the same rights it would have if it were not the Funding Note Indenture Trustee or such agent.

SECTION 6.5 FUNDS HELD BY FUNDING NOTE INDENTURE TRUSTEE. Subject to the provisions of Section 11.4, all funds received by the Funding Note Indenture Trustee shall, until used or applied as provided in the Funding Note Indenture, be held in trust for the purposes for which they were received. The Funding Note 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 Funding Note Collateral for the benefit of the Holders of the Funding Note in a segregated account maintained or controlled by the Funding Note Indenture Trustee, consistent with the rating of the Funding Note. Neither the Funding Note Indenture Trustee nor any agent of Global Funding or the Funding Note Indenture Trustee shall be under any liability for interest on any funds received by it under the Funding Note Indenture.

SECTION 6.6 COMPENSATION; REIMBURSEMENT; INDEMNIFICATION.

(a) Global Funding covenants and agrees:

- (i) to pay to the Funding Note Indenture Trustee from time to time, and the Funding Note Indenture Trustee shall be entitled to, reasonable compensation for all services rendered by it under the Funding Note Indenture (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) specified in Annex 8 to the Closing Instrument;
- (ii) except as otherwise provided in the Funding Note Indenture, to pay or reimburse the Funding Note Indenture Trustee upon its request for all reasonable expenses, disbursements and advances incurred

or made by the Funding Note Indenture Trustee in accordance with any provision of the Funding Note 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 Funding Note 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 the Funding Note Indenture or the trusts under the Funding Note Indenture and its duties under the Funding Note Indenture, 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 under the Funding Note Indenture.

(b) The obligations of Global Funding under this Section to compensate and indemnify the Funding Note Indenture Trustee and to pay or reimburse the Funding Note Indenture Trustee for

expenses, disbursements and advances shall constitute additional indebtedness under the Funding Note Indenture and shall survive the satisfaction and discharge of the Funding Note Indenture and any resignation or removal of the Funding Note Indenture Trustee.

SECTION 6.7 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

- (a) There shall at all times be a Funding Note Indenture Trustee under the Funding Note Indenture which shall:
- (i) be a banking corporation authorized under its laws of incorporation and the laws of the jurisdiction in which it administers the Funding Note Indenture and any Supplemental Funding Note 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 Global Funding or with any Person involved in the organization or operation of Global Funding; and
  - (iii) not offer or provide credit or credit enhancement to Global Funding.
- (b) If at any time the Funding Note Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 6.7(a) or the requirements of Section 310 of the Trust Indenture Act, the Funding Note Indenture Trustee shall resign promptly in the manner and with the effect specified in Section 6.8.

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SECTION 6.8 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR TRUSTEE.

- (a) The Funding Note Indenture Trustee may at any time resign by giving not less than 90 days' prior written notice of resignation to Global Funding and to the Holders of the Funding Note as provided in the Funding Note Indenture. Upon receiving such notice of resignation, Global Funding shall promptly cause a successor trustee to be appointed by written instrument in duplicate, executed by Global Funding, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed 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 Funding Note Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 6.7(a) or the requirements of Section 310 of the Trust Indenture Act or any applicable Supplemental Funding Note Indenture and shall fail to resign pursuant to Section 6.7(b) or following written request therefor by Global Funding or by any such Holder pursuant to Section 6.8(c);
  - (ii) the Funding Note Indenture Trustee shall become incapable of acting with respect to the Funding Note, or shall be adjudged as bankrupt or insolvent, or a receiver or liquidator of the Funding Note Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Funding Note Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
  - (iii) the Funding Note Indenture Trustee shall fail to comply with the obligations imposed upon it under Section 310(b) of the Trust Indenture Act with respect to the Funding Note after written request therefor by Global Funding or any Holder of the Funding

Note who has been a bona fide Holder of the Funding Note for at least six months;

then, in any such case, except during the existence of an Event of Default, Global Funding may remove the Funding Note Indenture Trustee and appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Funding Note 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 Global Funding under Sections 6.8(a) and 6.8(b), respectively, any Holder who has been a Holder of the Funding Note 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 Funding Note 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 Funding Note Indenture Trustee and appoint a successor trustee, as the case may be.
- (d) The Holder Representative may at any time remove the Funding Note Indenture Trustee and appoint a successor trustee by delivering to the Funding Note Indenture Trustee so removed, to the successor trustee so appointed and to Global Funding 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 Funding Note Indenture Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section 6.8 shall only 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 Global Funding and to its predecessor trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations of its predecessor under the Funding Note Indenture, with like effect as if originally named as trustee under the Funding Note Indenture; but, nevertheless, on the written request of Global Funding 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 under the Funding Note Indenture 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, Global Funding 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. Subject to the Lien created under the Funding Note Indenture, 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) Upon acceptance of appointment by a successor Funding Note Indenture Trustee as provided in this Section 6.9, Global Funding shall notify each Holder of the Funding Note and each rating agency then rating the Funding Note at the request of Global Funding. 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 Global Funding fails to make such notice within 10 days after acceptance of appointment by the successor Funding Note Indenture Trustee, the successor Funding Note Indenture Trustee shall cause such notice to be mailed at the expense of Global Funding.

#### SECTION 6.10 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS OF FUNDING NOTE INDENTURE TRUSTEE.

- (a) Any corporation into which the Funding Note 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 Funding Note Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Funding Note Indenture Trustee, shall be the successor of the Funding Note Indenture Trustee under the Funding Note 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 to the Funding Note Indenture, anything in the Funding Note Indenture to the contrary notwithstanding.

- (b) In case at the time such successor to the Funding Note Indenture Trustee shall succeed to the trusts created by the Funding Note Indenture the Funding Note Certificate shall have been authenticated but not delivered, any such successor to the Funding Note Indenture Trustee may adopt the certificate of authentication of any predecessor Funding Note Indenture Trustee and deliver such Funding Note Certificate so authenticated; and, in case at that time the Funding Note Certificate shall not have been authenticated, any successor to the Funding Note Indenture Trustee may authenticate such Funding Note Certificate either in the name of any predecessor under the Funding Note Indenture or in the name of the successor Funding Note 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 Funding Note Indenture

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Trustee or to authenticate the Funding Note Certificate in the name of any predecessor Funding Note Indenture Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 6.11 LIMITATIONS ON RIGHTS OF FUNDING NOTE INDENTURE TRUSTEE AS CREDITOR. The Funding Note Indenture Trustee shall comply with Section 311(a) of the Trust Indenture Act.

#### ARTICLE 7

##### HOLDERS' LISTS AND REPORTS BY FUNDING NOTE INDENTURE TRUSTEE AND TRUST

SECTION 7.1 GLOBAL FUNDING TO FURNISH FUNDING NOTE INDENTURE TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

In accordance with Section 312(a) of the Trust Indenture Act, Global Funding shall furnish or cause to be furnished to the Funding Note Indenture Trustee:

- (a) semi-annually not later than June 30 and December 31 of the year or upon such other dates as are set forth in or pursuant to the Funding Note Certificate or Supplemental Funding Note Indenture, a list, in each case in such form as the Funding Note 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 Funding Note Indenture Trustee may request in writing, within 30 days after the receipt by Global Funding 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 Funding Note Indenture Trustee is the Funding Note Registrar no such list shall be required to be furnished.

##### SECTION 7.2 PRESERVATION OF INFORMATION; COMMUNICATION TO HOLDERS.

The Funding Note Indenture Trustee shall comply with the obligations imposed upon it pursuant to Section 312 of the Trust Indenture Act. Every Holder of the Funding Note, by receiving and holding the same, agrees with Global Funding and the Funding Note Indenture Trustee that neither Global Funding, the Funding Note Indenture Trustee, any Funding Note Paying Agent or any Funding Note Registrar shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of the Funding Note in accordance with Section 312(c) of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Funding Note 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 FUNDING NOTE INDENTURE TRUSTEE.

- (a) Within 60 days after May 15 of each year commencing with the first May 15 following the issuance of the Funding Note, if

- 313(a) of the Trust Indenture Act, the Funding Note 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 the Funding Note Indenture.
- (b) The Funding Note Indenture Trustee shall transmit the reports required by Section 313(a) of the Trust Indenture Act at the time specified therein.
  - (c) The Funding Note 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 Funding Note Indenture Trustee with each stock exchange upon which the Funding Note is listed, with the Commission and Global Funding. Global Funding will notify the Funding Note Indenture Trustee whether the Funding Note is listed on any stock exchange.
  - (f) Global Funding shall furnish to the Indenture Trustee at least annually, 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, filing, re-recording and re-filing of the Funding Note Indenture, as is necessary to maintain the Security Interest of the Funding Note 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 maintain the Security Interest.

SECTION 7.4 REPORTS BY GLOBAL FUNDING.

Pursuant to Section 314(a) of the Trust Indenture Act, Global Funding shall:

- (a) file, or cause to be filed, with the Funding Note Indenture Trustee, within 15 days after Global Funding or the Issuing Trust is required to file the same with the Commission and to the extent available to Global Funding, copies of the annual reports and of 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 Global Funding or the Issuing Trust may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if Global Funding is not required to file information, documents or reports pursuant to either of said Sections, then it shall file, or cause to be

- filed, with the Funding Note 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; PROVIDED that if, pursuant to any publicly available interpretations of the Commission, Global Funding or the Issuing Trust would not be required to make such filings under Section 314(a) of the Trust Indenture Act, then Global Funding and the Issuing Trust shall not be required to make such filings;
- (b) file, or cause to be filed on its behalf, with the Funding Note 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 Global Funding with the conditions and covenants of the Funding Note 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 Funding Note 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 or on behalf of Global Funding 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 the Funding Note Indenture to be given or taken by any Holder 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 the Funding Note 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 otherwise expressly provided in the Funding Note Indenture, such action shall become effective when such instrument or instruments are delivered to the Funding Note Indenture Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of the Funding Note Indenture and (subject to Sections 6.1 and 6.2) conclusive in favor of the Funding Note Indenture Trustee and Global

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Funding, if made in the manner provided in this Article. The record of any meeting of Holders of the Funding Note shall be proved in the manner provided in Section 12.6.

- (b) Any request, demand, authorization, direction, notice, consent, waiver or other action of a Holder of any portion of the Funding Note shall bind every future Holder of the same portion of the Funding Note and the Holder of every Funding Note Certificate issued upon the registration of transfer of any portion of the Funding Note represented thereby or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Funding Note Indenture Trustee or Global Funding in reliance thereon, whether or not notation of such action is made upon such Funding Note Certificate.

SECTION 8.2 PROOF OF EXECUTION OF INSTRUMENTS AND OF HOLDING OF FUNDING NOTE.

- (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 Funding Note Indenture Trustee or in such manner as shall be satisfactory to the Funding Note Indenture Trustee.
- (b) The ownership, principal amount and CUSIP number of the Funding Note shall be proved by the Funding Note Register or by a certificate of the Funding Note Indenture Trustee.

SECTION 8.3 VOTING RECORD DATE. Global Funding may set a record date for purposes of determining the identity of each Holder of the Funding Note entitled to vote or consent to any action referred to in Section 8.1, which record date may be set at any time or from time to time by notice to the Funding Note 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 of the Funding Note Indenture, only a Holder of the Funding Note 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. Global Funding, the Funding Note Indenture Trustee and any agent of Global Funding or the Funding Note Indenture Trustee may deem and treat the Holder of any portion of the Funding Note as the absolute owner of such portion of the Funding Note (whether or not such portion of the Funding Note shall be overdue and notwithstanding any notation of ownership or other writing on the applicable Funding Note Certificate) for the purpose of receiving payment of or on account of the principal of, any premium on, and, subject to the provisions of the Funding Note Indenture, any interest on, and any Additional Amounts with respect to, such portion of the Funding Note and for all other purposes; and neither Global Funding nor the Funding Note Indenture Trustee nor any agent of Global Funding or the Funding Note 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 portion of the Funding Note.

**SECTION 8.5 ANY PORTION OF FUNDING NOTE OWNED BY GLOBAL FUNDING DEEMED NOT OUTSTANDING.** In determining whether the Holders of the requisite principal amount of the Funding Note have concurred in any direction, consent or waiver under the Funding Note Indenture, any portion of the Funding Note which is owned by Global Funding or any other obligor on the Funding Note or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with Global Funding or any other obligor on the Funding Note 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 Funding Note Indenture Trustee shall be protected in relying on any such direction, consent or waiver only a portion of the Funding Note which the Funding Note Indenture Trustee knows is so owned shall be so disregarded. A portion of the Funding Note so owned which has been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Funding Note Indenture Trustee the pledgee's right so to act with respect to such portion of the Funding Note and that the pledgee is not Global Funding or any other obligor upon the Funding Note or any Person directly or indirectly controlling or controlled by or under direct or indirect common control with Global Funding or any other obligor on the Funding Note. 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 Funding Note Indenture Trustee in accordance with such advice. Upon request of the Funding Note Indenture Trustee, Global Funding shall furnish to the Funding Note Indenture Trustee promptly a Trust Certificate listing and identifying the portion of the Funding Note, if any, known by Global Funding 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 Funding Note Indenture Trustee shall be entitled to accept such Trust Certificate as conclusive evidence of the facts therein set forth and of the fact that the portion of the Funding Note not listed therein is 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 Funding Note Indenture Trustee, as provided in Section 8.1, of the taking of any action by the Holders of the percentage of the principal amount of the Funding Note specified in the Funding Note Indenture in connection with such action, any Holder of the Funding Note that has 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 Holder.
- (b) Any action taken by the Holders of the percentage in aggregate principal amount of the Funding Note specified in the Funding Note Indenture in connection with such action shall be conclusively binding upon Global Funding, the Funding Note Indenture Trustee and the Holders of the Funding Note affected by such action, irrespective of whether or not any

notation in regard of any such action is made on the Funding Note Certificate.

#### ARTICLE 9 SUPPLEMENTAL FUNDING NOTE INDENTURES

**SECTION 9.1 SUPPLEMENTAL FUNDING NOTE INDENTURES WITHOUT CONSENT OF HOLDERS.**

- (a) Global Funding and the Funding Note Indenture Trustee may from time to time and at any time enter into an indenture or indentures supplemental to the Funding Note Indenture (each, a "SUPPLEMENTAL FUNDING NOTE 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 Global Funding to convey, transfer, assign, mortgage or pledge to the Funding Note Indenture Trustee as security for the Funding Note any property or assets;
  - (ii) to add to the covenants of Global Funding such further covenants, restrictions, conditions or provisions as Global Funding and the Funding Note Indenture Trustee shall consider to be for the protection of each Holder of the Funding 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 the Funding Note Indenture as set forth in the Funding Note Indenture; PROVIDED, that in respect of any such additional covenant, restriction, condition or provision such Supplemental Funding Note 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 Funding Note Indenture Trustee upon such an Event of Default or may limit the right of the Holder Representative to waive such an Event of Default;

- (iii) to cure any ambiguity or to correct or supplement any provision contained in the Funding Note Indenture or in any Supplemental Funding Note Indenture or the Funding Note Certificate which may be defective or inconsistent with any other provision contained in the Funding Note Indenture or in any Supplemental Funding Note Indenture or the Funding Note Certificate; or to make such other provisions in regard to matters or questions arising under the Funding Note Indenture or under any Supplemental Funding Note Indenture or the Funding Note

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Certificate as Global Funding may deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Funding Note in any material respect; or

- (iv) to evidence and provide for the acceptance of appointment under the Funding Note Indenture by a successor trustee and to add to or change any of the provisions of the Funding Note Indenture as shall be necessary to provide for or facilitate the administration of the trusts under the Funding Note Indenture by more than one trustee.
- (b) The Funding Note Indenture Trustee is authorized to join with Global Funding in the execution of any such Supplemental Funding Note Indenture, and to make any further appropriate agreements and stipulations which may be therein contained, but the Funding Note Indenture Trustee shall not be obligated to enter into any such Supplemental Funding Note Indenture which affects the Funding Note Indenture Trustee's own rights, duties or immunities under the Funding Note Indenture or otherwise.
- (c) Any Supplemental Funding Note Indenture authorized by the provisions of this Section may be executed without the consent of any Holder of any portion of the Funding Note at the time Outstanding, notwithstanding any of the provisions of Section 9.2.

#### SECTION 9.2 SUPPLEMENTAL FUNDING NOTE 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% of the principal amount of the Funding Note at the time Outstanding, Global Funding and the Funding Note Indenture Trustee may, from time to time and at any time, enter into a Supplemental Funding Note Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Funding Note Indenture or of any Supplemental Funding Note Indenture or the Funding Note Certificate or of modifying in any manner the rights of the Holders of the Funding Note; PROVIDED, that no such Supplemental Funding Note Indenture shall:
  - (i) change the final maturity of the Funding 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 any portion of the Funding Note so affected or modify any redemption or repayment provisions applicable to the Funding Note;

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- (ii) permit the creation of any Lien on the Funding Note

Collateral or any part thereof (other than the Security Interest in favor of the Funding Note Indenture Trustee on behalf of the Holders) or terminate the Security Interest as to any part of the Funding Note Collateral, except as permitted by the Funding Note Indenture; or

- (iii) modify any of the provisions of this Section except to increase the aforementioned percentage of the principal amount of the Funding Note required to approve any Supplemental Funding Note Indenture.
- (b) Upon the request of Global Funding, and upon the filing with the Funding Note Indenture Trustee of evidence of the consent of each Holder and other documents, if any, required by Section 8.1, the Funding Note Indenture Trustee shall join with Global Funding in the execution of such Supplemental Funding Note Indenture unless such Supplemental Funding Note Indenture affects the Funding Note Indenture Trustee's own rights, duties or immunities under the Funding Note Indenture or otherwise, in which case the Funding Note Indenture Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Funding Note 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 Funding Note Indenture, but it shall be sufficient if such consent shall approve the substance thereof.
- (d) Promptly after the execution by Global Funding and the Funding Note Indenture Trustee of any Supplemental Funding Note Indenture pursuant to the provisions of this Section, the Funding Note Indenture Trustee shall notify the Holders of the Funding Note, as provided in the Funding Note Indenture, setting forth in general terms the substance of such Supplemental Funding Note Indenture. Any failure of the Funding Note 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 Funding Note Indenture.

SECTION 9.3 COMPLIANCE WITH TRUST INDENTURE ACT; EFFECT OF SUPPLEMENTAL FUNDING NOTE INDENTURE. Any Supplemental Funding Note Indenture executed pursuant to the provisions of this Article shall comply with the Trust Indenture Act. Upon the execution of any Supplemental Funding Note Indenture pursuant to the provisions of the Funding Note Indenture, the Funding Note 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 the Funding Note Indenture of the Funding Note Indenture Trustee, Global Funding and each Holder of the Funding Note shall thereafter be determined, exercised and enforced under the Funding Note Indenture subject in all respects to such modifications and amendments, and all the

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terms and conditions of any such Supplemental Funding Note Indenture shall be and be deemed to be part of the terms and conditions of the Funding Note Indenture for any and all purposes.

SECTION 9.4 DOCUMENTS TO BE GIVEN TO FUNDING NOTE INDENTURE TRUSTEE. The Funding Note Indenture Trustee, subject to the provisions of Sections 6.1 and 6.2, may receive a Trust Certificate and an Opinion of Counsel as conclusive evidence that any such Supplemental Funding Note Indenture complies with the applicable provisions of the Funding Note Indenture.

SECTION 9.5 NOTATION ON FUNDING NOTE CERTIFICATE IN RESPECT OF SUPPLEMENTAL FUNDING NOTE INDENTURES. Any Funding Note Certificate authenticated and delivered after the execution of any Supplemental Funding Note Indenture pursuant to the provisions of this Article may bear a notation in form approved by the Funding Note Indenture Trustee as to any matter provided for by such Supplemental Funding Note Indenture or as to any action taken at any such meeting. If Global Funding or the Funding Note Indenture Trustee shall so determine, a new Funding Note Certificate representing the Funding Note or any portion thereof so modified as to conform, in the opinion of the Funding Note Indenture Trustee and Global Funding, to any modification of the Funding Note Indenture contained in any such Supplemental Funding Note Indenture may be prepared by Global Funding, authenticated by the Funding Note Indenture Trustee and delivered in exchange for the Funding Note Certificate representing the Funding Note or such portion thereof.

#### ARTICLE 10 CONSOLIDATION, MERGER, SALE OR CONVEYANCE

SECTION 10.1 GLOBAL FUNDING MAY MERGE, CONSOLIDATE, SELL OR CONVEY PROPERTY UNDER CERTAIN CIRCUMSTANCES. Global Funding may not consolidate with, or merge into, any Person (whether or not affiliated with Global Funding), or sell, lease or convey the property of Global Funding as an entirety or

substantially as an entirety, unless:

- (a) the entity formed by such consolidation or into which Global Funding is merged or the Person which acquires by conveyance or transfer the properties and assets of Global Funding substantially as an entirety shall be a statutory trust formed 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 Funding Note Indenture, executed and delivered to the Funding Note Indenture Trustee, in form satisfactory to the Funding Note Indenture Trustee, the due and punctual payment of the principal of, any premium and interest on, and any Additional Amounts with respect to, the Funding Note and the performance of every covenant of the Funding Note Indenture on the part of Global Funding 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;

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- (c) Global Funding has received written confirmation from any rating agency then rating the Funding Note at the request of Global Funding that such consolidation, merger, conveyance or transfer shall not cause the rating on the Funding Note to be downgraded or withdrawn; and
- (d) Global Funding has delivered to the Funding Note Indenture Trustee a Trust Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such Supplemental Funding Note Indenture comply with this Article and that all conditions precedent provided for in the Funding Note Indenture 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) Global Funding 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, the Funding Note, as and when the same shall have become due and payable, or (b) Global Funding shall have delivered to the Funding Note Indenture Trustee for cancellation each Funding Note Certificate representing the Funding Note theretofore authenticated (other than any Funding 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) Global Funding shall have irrevocably deposited or caused to be deposited with the Funding Note Indenture Trustee as trust funds the entire amount in cash (other than funds repaid by any Funding Note Indenture Trustee or any Funding Note Paying Agent to Global Funding in accordance with Section 11.4) sufficient to pay at maturity all amounts payable at maturity on the Funding Note represented by one or more Funding Note Certificates not theretofore delivered to the Funding Note Indenture Trustee for cancellation, including any outstanding 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, Global Funding shall also pay or cause to be paid all other sums payable under the Funding Note Indenture by Global Funding, then the Funding Note Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer and exchange, (ii) substitution of an apparently mutilated, defaced, destroyed, lost or stolen Funding Note Certificate, (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 Funding Note, (iv) the rights, obligations and immunities of the Funding Note Indenture Trustee under the Funding Note Indenture and (v) the rights of each Holder as beneficiary of the Funding Note Indenture with respect to the property so deposited with the Funding Note Indenture Trustee payable to all or any of them), and the Funding Note Indenture Trustee, on demand of Global Funding accompanied by a Trust Certificate and an Opinion of Counsel and at the cost and expense of Global Funding, shall execute proper instruments acknowledging such satisfaction of and discharging the Funding Note Indenture. Global Funding agrees to reimburse the Funding Note Indenture Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Funding Note Indenture Trustee for any services thereafter reasonably and properly rendered by the Funding Note Indenture Trustee in connection with the Funding Note Indenture or the Funding Note.

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SECTION 11.2 APPLICATION BY FUNDING NOTE INDENTURE TRUSTEE OF FUNDS

DEPOSITED FOR PAYMENT OF FUNDING NOTE. Subject to Section 11.4, all funds deposited with the Funding Note 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 Funding Note Paying Agent (including Global Funding acting as its own paying agent), to each Holder of the Funding Note for the payment or redemption of which such funds have been deposited with the Funding Note 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 FUNDING NOTE PAYING AGENT. In connection with the satisfaction and discharge of the Funding Note Indenture, all funds then held by any Funding Note Paying Agent under the provisions of the Funding Note Indenture shall, upon demand of Global Funding, be repaid to Global Funding or paid to the Funding Note Indenture Trustee and thereupon such Funding Note Paying Agent shall be released from all further liability with respect to such funds.

SECTION 11.4 RETURN OF FUNDS HELD BY FUNDING NOTE INDENTURE TRUSTEE AND FUNDING NOTE PAYING AGENT. Any funds deposited with or paid to the Funding Note Indenture Trustee or any Funding Note 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, the Funding Note and not applied but remaining unclaimed for three years after the date upon which such principal, interest, premium, Additional Amounts or any other amount shall have become due and payable, shall, upon the written request of Global Funding and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to Global Funding by the Funding Note Indenture Trustee or such Funding Note Paying Agent, and each Holder of the Funding Note shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to Global Funding for any payment which such Holder may be entitled to collect, and all liability of the Funding Note Indenture Trustee or any Funding Note Paying Agent with respect to such funds shall thereupon cease.

## ARTICLE 12 MEETINGS OF HOLDERS OF FUNDING NOTE

SECTION 12.1 PURPOSES FOR WHICH MEETINGS MAY BE CALLED. A meeting of Holders of the Funding Note 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 the Funding Note Indenture to be made, given or taken by Holders of the Funding Note.

SECTION 12.2 CALL, NOTICE AND PLACE OF MEETINGS.

- (a) Unless otherwise provided in the Funding Note Certificate, the Funding Note Indenture Trustee may at any time call a meeting of Holders of the Funding Note 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

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the Funding Note, 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 Global Funding or the Holder or Holders of at least 10% in principal amount of the Funding Note shall have requested the Funding Note Indenture Trustee to call a meeting of the Holders of the Funding Note 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 Funding Note 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 in the Funding Note Indenture, then Global Funding or the Holder or Holders of the Funding Note 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 the Funding Note, a Person shall be (a) a Holder of any portion of the Funding Note then Outstanding, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of any portion of the Funding Note 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 the Funding Note shall be the Persons entitled to vote at such

meeting and their counsel, any representatives of the Funding Note Indenture Trustee and its counsel and any representatives of Global Funding and its counsel.

SECTION 12.4 QUORUM; ACTION.

- (a) The Persons entitled to vote a majority in principal amount of the Funding Note then Outstanding shall constitute a quorum for a meeting of Holders of the Funding Note; PROVIDED, HOWEVER, that if any action is to be taken at such meeting with respect to a consent or waiver which the Funding Note Indenture expressly provides may be given by the Holders of not less than 66 2/3% in outstanding principal amount of the Funding Note, then Persons entitled to vote 66 2/3% in outstanding principal amount of the Funding Note 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 the Funding Note, 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

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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 outstanding principal amount of the Funding Note 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 outstanding principal amount of the Funding Note; PROVIDED, HOWEVER, that, except as limited by the proviso to Section 9.2(a), any resolution with respect to any consent or waiver which the Funding Note Indenture expressly provides may be given by the Holders of not less than 66 2/3% in outstanding principal amount of the Funding Note 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 outstanding principal amount of the Funding Note; 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 action which the Funding Note Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in outstanding principal amount of the Funding Note 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 outstanding principal amount of the Funding Note.
- (c) Any resolution passed or decision taken at any meeting of Holders of the Funding Note duly held in accordance with this Section shall be binding on all the Holders of Funding Note, 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 the Funding Note Indenture, the Funding Note Indenture Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of the Funding Note in regard to proof of the holding of the Funding Note 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 the Funding Note 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

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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 Funding Note Indenture Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by Global Funding or by Holders of the Funding Note as provided in Section 12.2(b), in which case Global Funding or the Holders of the Funding Note 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 outstanding principal amount of the Funding Note represented at the meeting.
- (c) At any meeting, each Holder of the Funding Note or proxy shall be entitled to one vote for each \$1,000 of principal amount of the Funding Note 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 portion of the Funding Note challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of the Funding Note or proxy.
- (d) Any meeting of Holders of the Funding Note 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 outstanding principal amount of the Funding Note 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 the Funding Note shall be (a) by written ballots on which shall be subscribed the signatures of the Holders of the Funding Note or of their representatives by proxy and the principal amounts of the outstanding portion of the Funding Note held or represented by them or (b) by such other procedures adopted by the Funding Note 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 the Funding Note 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 Global Funding, and another to the Funding Note Indenture Trustee to be preserved by the Funding Note Indenture Trustee, the latter to have attached thereto the ballots

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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 the Funding Note Indenture, or the Funding Note Certificate or Supplemental Funding Note Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Funding Note Indenture Trustee or the Global Funding Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "NON-RECOURSE 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 Funding Note. If any Event of Default shall occur with respect to the Funding Note, the right of the Holders of the Funding Note and the Funding Note Indenture Trustee on behalf of such Holders in connection with a claim on the Funding Note shall be limited solely to a proceeding against the Funding Note Collateral. Neither the Holders nor the Funding Note Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties to enforce the Funding Note (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 Funding Note Collateral.

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 Funding Note or otherwise affect or impair the enforceability against Global Funding of the liens, assignments, rights and the Security Interest created by or pursuant to the Funding Note Indenture, the relevant Funding Note Collateral or any other instrument or agreement evidencing, securing or relating to the indebtedness or the obligations evidenced by the Funding Note. Nothing in this Section shall preclude the Holders from foreclosing upon any property included in the Funding Note Collateral or any other rights or remedies in law or in equity against Global Funding.

SECTION 13.2 PROVISIONS OF INDENTURE FOR THE SOLE BENEFIT OF PARTIES AND HOLDERS. Nothing in the Funding Note Indenture or in the Funding Note, expressed or implied, shall give or be construed to give to any Person, other than the parties to the Funding Note Indenture and their successors and the Holders of the Funding Note, any legal or equitable right, remedy or claim under the Funding Note Indenture or under any covenant or provision contained in the Funding Note Indenture, all such covenants and provisions being for the sole benefit of the parties to the Funding Note Indenture and their successors and of the Holders of the Funding Note.

SECTION 13.3 SUCCESSORS AND ASSIGNS OF GLOBAL FUNDING BOUND BY INDENTURE. All the covenants, stipulations, promises and agreements in the Funding Note Indenture contained by or in behalf of Global Funding shall bind its successors and assigns, whether so expressed or not.

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SECTION 13.4 NOTICES AND DEMANDS ON GLOBAL FUNDING, FUNDING NOTE INDENTURE TRUSTEE AND ANY HOLDER.

- (a) Except as otherwise provided by this Section, any notice or demand which by any provision of the Funding Note Indenture is required or permitted to be given or served by the Funding Note Indenture Trustee or by any Holder of the Funding Note to or on Global Funding may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided in the Funding Note Indenture) addressed (until another address of Global Funding is filed by Global Funding with the Funding Note Indenture Trustee) to the Delaware Trustee. Any notice, direction, request or demand by Global Funding or any Holder to or upon the Funding Note 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 the Funding Note Indenture provides for notice to any Holder, such notice shall be sufficiently given (unless otherwise expressly provided in the Funding Note Indenture) 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 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 the Funding Note 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 Funding Note 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 Global Funding and each Holder when such notice is required to be given pursuant to any provision of the Funding Note Indenture, then any manner of giving such notice as shall be satisfactory to the Funding Note Indenture Trustee shall be deemed to be a sufficient giving of such notice.
- (e) Global Funding shall deliver promptly to each rating agency then rating the Funding Note at the request of Global Funding copies of each of the following:
  - (i) any repurchase of the Funding Note pursuant to Section 3.3;
  - (ii) any notice of any default or Event of Default;
  - (iii) any notice of redemption provided by Global Funding pursuant to Section 3.1(d);

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- (iv) any notice of change in name, identity, organizational structure, chief executive office, or chief place of business of Global Funding provided by Global Funding pursuant to Section 14.4(a);
- (v) any Supplemental Funding Note Indenture;
- (vi) any resignation, removal or appointment under the Funding Note Indenture;
- (vii) any amendment to any Funding Agreement; and
- (viii) any other information reasonably requested by such rating agency.

Any such notice shall be addressed to:

Standard & Poor's Ratings Services,  
a division of The McGraw-Hill Companies, Inc.  
55 Water Street  
New York, NY 10041  
Attention: Capital Markets  
Facsimile: (212) 438-5215

Moody's Investors Service Inc.  
99 Church Street  
New York, NY 10007  
Attention: Life Insurance Group  
Facsimile: (212) 553-4805

or such other address previously furnished in writing to Global Funding by the applicable rating agency.

SECTION 13.5 TRUST CERTIFICATES AND OPINIONS OF COUNSEL; STATEMENTS TO BE CONTAINED THEREIN.

- (a) Except as otherwise expressly provided in the Funding Note Indenture, upon any application or demand by Global Funding to the Funding Note Indenture Trustee to take any action under any of the provisions of the Funding Note Indenture, Global Funding shall furnish to the Funding Note Indenture Trustee a Trust Certificate stating that all conditions precedent, if any, provided for in the Funding Note Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of the applicable 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 the Funding Note Indenture relating to such

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particular application or demand, no additional certificate or opinion need be furnished.

- (b) Each certificate or opinion provided for in the Funding Note Indenture and delivered to the Funding Note Indenture Trustee with respect to compliance with a condition or covenant provided for in the Funding Note 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 Global Funding may be based upon a certificate or opinion of or representations by counsel, unless Global Funding 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 Global Funding, upon the certificate, statement or opinion of or representations by Global Funding, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which the 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 Global Funding 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 Global Funding, 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 the certificate, statement or

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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 Funding Note Indenture Trustee shall contain a statement that such firm is independent.

SECTION 13.6 GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Funding Note Indenture and the Funding Note shall (unless specified otherwise in the Funding Note Certificate) 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 Global Funding's ownership of and security interest in the Funding Agreement(s) or remedies under the Funding Note 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 Global Funding or the Funding Note Indenture Trustee arising out of or relating to the Funding Note Indenture, the Funding Note or any portion of the Funding Note Collateral or other assets of Global Funding may be brought in any state or Federal court in the State of New York, provided that the Funding Note Certificate may specify other jurisdictions as to which Global Funding may consent to the nonexclusive jurisdiction of its courts with respect to the Funding Note.

SECTION 13.7 COUNTERPARTS. The Funding Note 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 TRUST INDENTURE ACT TO CONTROL. If and to the extent that any provision of the Funding Note Indenture limits, qualifies or conflicts with any duties under any required provision of the Trust Indenture Act imposed on the Funding Note Indenture by Section 318(c) of the Trust Indenture Act (each, an "INCORPORATED PROVISION"), such incorporated provision shall control.

SECTION 13.9 JUDGMENT CURRENCY. Global Funding 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 Funding Note 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 Funding Note 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 normal banking procedures the Funding Note Indenture Trustee could purchase in The City of New York the Specified

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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 the Funding Note 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 the Funding Note Indenture; and
- (c) it shall indemnify the Holder or Holders of the Funding 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 in accordance with the terms of the Funding Note Indenture and to secure the performance of Global Funding's obligations under the Funding Note and the Funding Note Indenture, Global Funding pledges and collaterally assigns to and with the Funding Note Indenture Trustee for the benefit of each Holder of the Funding Note and any other Person for whose benefit the Funding Note Indenture Trustee is or will be holding the Funding Note Collateral (the "SECURED PARTIES"), and grants to the Funding Note Indenture Trustee for the benefit of each Secured Party, a security interest in the Funding Note Collateral, and all of the rights and privileges of Global Funding in and to the Funding Note Collateral (the "SECURITY INTEREST"), effective as of the Original Issue Date of the Funding Note.

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- (b) It is expressly agreed that anything therein contained to the contrary notwithstanding, Global Funding 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 Funding Note Indenture Trustee shall not have any obligations or liabilities by reason of or arising out of the Funding Note Indenture, nor shall the Funding Note Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of Global Funding 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 Funding Note Indenture Trustee acknowledges the grant of the Security Interest upon the issuance of the Funding Note, accepts the trusts under the Funding Note Indenture in accordance with the provisions of the Funding Note Indenture and agrees to perform its duties in accordance with the terms of the Funding Note Indenture.

SECTION 14.2 REPRESENTATIONS AND WARRANTIES. Global Funding represents and warrants that, as of the date of the Funding Note Indenture and, in each case, prior to the assignment of each Funding Agreement by Global Funding to the Issuing Trust as contemplated by the terms of the Funding Note and the Coordination Agreement:

- (a) Global Funding owns each Funding Agreement that secures the Obligations and all of the rest of the Funding Note Collateral, free and clear of any Liens other than the Security Interest in

the Funding Note Collateral.

- (b) Global Funding has not performed any acts which might prevent the Funding Note Indenture Trustee from enforcing any of the terms of the Funding Note Indenture or which would limit the Funding Note Indenture Trustee in any such enforcement. Other than financing statements or other similar or equivalent documents or instruments with respect to the Security Interest, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Funding Note 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 Funding Note Collateral. No Funding Note Collateral is in the possession of any Person (other than Global Funding or its agent) asserting any claim thereto or security interest therein, except that the Funding Note Indenture Trustee or its designee may have possession of the Funding Note Collateral as contemplated by the Funding Note Indenture.

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- (c) Prior to its termination in accordance with Section 14.9, the 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 Funding Note Indenture Trustee or its agent shall have taken possession of each applicable Funding Agreement, (iii) Global Funding shall have pledged and collaterally assigned each applicable Funding Agreement to the Funding Note Indenture Trustee and given written notice to the Funding Agreement Provider of each such assignment to the Funding Note 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 Funding Note Indenture Trustee, the Security Interest shall constitute a first priority perfected security interest in the Funding Note Collateral, enforceable against Global Funding, Global Funding's creditors and any purchaser from Global Funding.

SECTION 14.3 ADDITIONAL REPRESENTATIONS AND WARRANTIES. Global Funding represents and warrants that, as of the date of the Funding Note Indenture and, in each case, prior to the assignment of each Funding Agreement by Global Funding to the Issuing Trust as contemplated by the terms of the Funding Note and the Coordination Agreement:

- (a) to the extent the creation of a security interest in any Funding Agreement is governed by the applicable UCC, the Funding Note Indenture creates a valid security interest (as defined in the applicable UCC) in each Funding Agreement in favor of the Funding Note Indenture Trustee for the benefit and security of the Secured Parties, which security interest is prior to all other Liens;
- (b) to the extent the UCC applies, each Funding Agreement consists of "general intangibles," "payment intangibles" and/or "instruments" within the meaning of the applicable UCC;
- (c) subject to the grant of security interest, pledge and collateral assignment of Global Funding's estate, right, title and interest in each Funding Agreement, Global Funding is a party to and is the Person entitled to payment under each Funding Agreement on the date of the Funding Note Indenture free and clear of any Lien, claim or encumbrance of any Person, other than the Lien created under the Funding Note Indenture or any Lien otherwise permitted under the Funding Note Indenture;
- (d) to the extent the UCC applies, Global Funding has caused or will have caused, within ten days after the date of the Funding Note Indenture, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in each Funding Agreement granted to the Funding Note

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Indenture Trustee for the benefit and security of the Secured Parties under the Funding Note Indenture;

- (e) all original executed copies of each instrument that constitutes or evidences each Funding Agreement have been delivered to the Funding Note Indenture Trustee or a custodian for the Funding Note Indenture Trustee (the "CUSTODIAN");

- (f) where all original executed copies of each instrument that constitutes or evidences each Funding Agreement have been delivered to the Custodian, Global Funding has received a written acknowledgment from the Custodian that the Custodian is holding the instruments that constitute or evidence each Funding Agreement solely on behalf of the Funding Note Indenture Trustee;
- (g) except as expressly permitted under the Funding Note Indenture and other than the Security Interest granted to the Funding Note Indenture Trustee for the benefit and security of the Secured Parties pursuant to the Funding Note Indenture, Global Funding has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Funding Agreements;
- (h) Global Funding has not authorized the filing of and is not aware of any financing statements against Global Funding that include a description of collateral covering any Funding Agreement other than any financing statement relating to the Security Interest granted to the Funding Note Indenture Trustee for the benefit and security of the Secured Parties under the Funding Note Indenture or that has been terminated;
- (i) Global Funding is not aware of any judgment or tax lien filings against Global Funding; and
- (j) none of the instruments that constitute or evidence the Funding Agreements has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Funding Note Indenture Trustee for the benefit and security of the Secured Parties.

The foregoing representations and warranties shall survive the execution and delivery of the Funding Note. No party to the Funding Note Indenture shall waive any of the foregoing representations and warranties. Global Funding shall maintain the perfection and priority of the Security Interest in each Funding Agreement, prior to the termination of the Security Interest in accordance with Section 14.9.

#### SECTION 14.4 FURTHER ASSURANCES; COVENANTS.

- (a) Global Funding will not change its name, identity or organizational structure in any manner unless it shall have given the Funding Note

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Indenture Trustee at least 30 days' prior notice thereof and shall have complied with Section 14.4(e). Global Funding will not change the location of its chief executive office or chief place of business unless it shall have given the Funding Note Indenture Trustee at least 30 days' prior notice thereof and shall have complied with Section 14.4(e).

- (b) Global Funding will, from time to time and upon advice of counsel, at Global Funding's expense, prepare, execute, authenticate, 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 Funding Note Indenture Trustee may reasonably request, in order to create, preserve, perfect, confirm or validate a Security Interest or to enable the Holders of the Funding Note to obtain the full benefits of the Funding Note Indenture, or to enable the Funding Note Indenture Trustee to exercise and enforce any of its rights, powers and remedies under the Funding Note Indenture with respect to any Funding Note Collateral. To the extent permitted by applicable law, if Global Funding fails to do so, Global Funding authorizes the Funding Note Indenture Trustee to execute and file financing statements or continuation statements without Global Funding's signature appearing thereon. Global Funding agrees that a carbon, photographic, photostatic or other reproduction of the Funding Note Indenture or of a financing statement is sufficient as a financing statement. Global Funding shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning any Funding Note Collateral.
- (c) If any Funding Note Collateral is at any time in the possession or control of any warehouseman, bailee or any of Global Funding's agents or processors, Global Funding shall notify such warehouseman, bailee, agent or processor of the Security Interest created by the Funding Note Indenture and to hold all such Funding Note Collateral for the Funding Note Indenture Trustee's account subject to the Funding Note Indenture Trustee's

instructions.

- (d) Global Funding will, promptly upon request, provide to the Funding Note Indenture Trustee all information and evidence it may reasonably request concerning the Funding Note Collateral to enable the Funding Note Indenture Trustee to enforce the provisions of the Funding Note Indenture.
- (e) Not more than six months nor less than 30 days prior to each date on which Global Funding proposes to take any action contemplated by Section 14.4(a), Global Funding shall, at its cost and expense, cause to be delivered to the Funding Note Indenture Trustee an Opinion of Counsel, satisfactory to the Funding Note Indenture Trustee, to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or

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filed in order to perfect and protect the Security Interest for a period, specified in such Opinion of Counsel, continuing until a date not earlier than 18 months from the date of such Opinion of Counsel, against all creditors of and purchasers from Global Funding 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 Funding Note Indenture Trustee, Global Funding shall, at its cost and expense, cause to be delivered to the Funding Note Indenture Trustee an Opinion of Counsel satisfactory to the Funding Note Indenture Trustee as to such matters relating to the Security Interest as the Funding Note Indenture Trustee or the Holder Representative may reasonably request.

SECTION 14.5 GENERAL AUTHORITY. Global Funding irrevocably appoints the Funding Note Indenture Trustee its true and lawful attorney, with full power of substitution, in the name of Global Funding, the Funding Note Indenture Trustee, the Holders of the Funding Note or otherwise, for the sole use and benefit of the Secured Parties, but at Global Funding'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 Funding Note 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 Funding Note Indenture Trustee were the absolute owner thereof, and
- (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 Funding Note Indenture Trustee shall give Global Funding not less than 10 days' prior notice of the time and place of any sale or other intended disposition of any of the Funding Note Collateral, except any part of the Funding Note Collateral which threatens to decline speedily in value or is of a type customarily sold on a recognized market.

SECTION 14.6 REMEDIES UPON EVENT OF DEFAULT. If any Event of Default has occurred and is continuing, the Funding Note Indenture Trustee may exercise on behalf of the Holders of the Funding Note all rights of a secured party under applicable law and, in addition, the Funding Note Indenture Trustee may, without being required to give any notice, except as provided in the Funding Note Indenture 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 Funding Note 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 Funding Note Collateral (including each applicable Funding Agreement) or any part

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thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Funding Note Indenture Trustee may deem satisfactory. Any Holder may be the purchaser of any or all of the Funding Note Collateral so sold at any public sale (or, if the Funding Note 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). Global Funding will execute and deliver such documents and take such other

action as the Funding Note Indenture Trustee deems necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Funding Note Indenture Trustee shall have the right to deliver, assign and transfer to the purchaser thereof the Funding Note Collateral so sold. Each purchaser at any such sale shall hold the Funding Note Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of Global Funding which may be waived, and Global Funding, to the extent permitted by law, specifically waives all rights of redemption, stay or appraisal which it has or may have under any law. 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 Funding Note Indenture Trustee may fix in the notice of such sale. At any such sale the Funding Note Collateral may be sold in one lot as an entirety or in separate parcels, as the Funding Note Indenture Trustee may determine. The Funding Note Indenture Trustee shall not be obligated to make any such sale pursuant to any such notice. The Funding Note 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 Funding Note Collateral on credit or for future delivery, the Funding Note Collateral so sold may be retained by the Funding Note Indenture Trustee until the selling price is paid by the purchaser thereof, but the Funding Note Indenture Trustee shall not incur any liability in the case of the failure of such purchaser to take up and pay for the Funding Note Collateral so sold and, in the case of any such failure, such Funding Note Collateral may again be sold upon like notice. The Funding Note Indenture Trustee, instead of exercising the power of sale conferred upon it in the Funding Note Indenture, may proceed by a suit or suits at law or in equity to foreclose a Security Interest and sell any Funding Note Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

SECTION 14.7 LIMITATION ON DUTIES OF FUNDING NOTE INDENTURE TRUSTEE WITH RESPECT TO FUNDING NOTE COLLATERAL. Beyond the exercise of reasonable care in the custody thereof, the Funding Note Indenture Trustee shall have no duty as to any portion of the Funding Note 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 Funding Note Indenture Trustee shall be deemed to have exercised reasonable care in the custody of the Funding Note Collateral in its possession if the Funding Note 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 Funding Note 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 Funding Note Indenture Trustee in good faith.

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SECTION 14.8 CONCERNING THE FUNDING NOTE INDENTURE TRUSTEE. In furtherance and not in derogation of the rights, privileges and immunities of the Funding Note Indenture Trustee specified in the Funding Note Indenture:

- (a) the Funding Note Indenture Trustee is authorized to take all such action as is provided to be taken by it as Funding Note Indenture Trustee under this Article and all other action reasonably incidental thereto. As to any matters not expressly provided for in this Article (including, without limitation, the timing and methods of realization upon any Funding Note Collateral) the Funding Note Indenture Trustee shall act or refrain from acting in accordance with written instructions from the Holder or Holders of the required percentage of the outstanding principal amount of the Funding Note for any instructions or, in the absence of such instructions, in accordance with its discretion; and
- (b) the Funding Note Indenture Trustee shall not be responsible for the existence, genuineness or value of any of the Funding Note Collateral or for the validity, perfection, priority or enforceability of the Security Interest in any of the Funding Note Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part under the Funding Note Indenture.

SECTION 14.9 TERMINATION OF SECURITY INTEREST. The Security Interest shall terminate and all rights to the Funding Note Collateral shall revert to Global Funding (i) upon the repayment in full of all Obligations or (ii) in connection with the assignment of the Funding Note by Global Funding to the Issuing Trust in accordance with the terms of the Funding Note and the Coordination Agreement. Upon such termination of a Security Interest, and delivery of a certificate by Global Funding to such effect, the Funding Note Indenture Trustee will, at the expense of Global Funding, execute and deliver to Global Funding such documents as Global Funding shall reasonably request to

evidence the termination of the Security Interest.

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EXHIBIT A-1

FORM OF FUNDING NOTE RELATED TO SECURED MEDIUM TERM NOTES ISSUED  
UNDER THE SECURED MEDIUM TERM NOTES PROGRAM

A1-1

EXHIBIT A-2

FORM OF FUNDING NOTE RELATED TO SECURED MEDIUM TERM NOTES ISSUED  
UNDER THE ALLSTATE LIFE SM CORENOTESM PROGRAM

A2-1

EXHIBIT B

FORM OF CERTIFICATE OF AUTHENTICATION

This Funding Note Certificate is one of the Funding Note Certificates representing the Funding Note described in the within-mentioned Funding Note Indenture and is being issued in accordance with Section 2.5(f) of the Funding Note Indenture.

J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Funding Note Indenture Trustee

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

Dated:

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FORM OF GLOBAL SECURITY FOR  
SECURED MEDIUM TERM NOTES PROGRAM

[FACE OF GLOBAL SECURITY]

[IF THE GLOBAL SECURITY IS REGISTERED IN THE NAME OF CEDE &amp; CO., INSERT

UNLESS THIS NOTE 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 NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS 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 CERTIFICATE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE STANDARD INDENTURE TERMS HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NOMINEE OF DTC, OR ANY SUCCESSOR DEPOSITARY ("DEPOSITARY"), AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY. THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR NOTES REGISTERED, AND NO TRANSFER OF THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE STANDARD INDENTURE TERMS. EVERY NOTE CERTIFICATE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE CERTIFICATE WILL BE A GLOBAL SECURITY SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES.]

CUSIP No.:

ALLSTATE LIFE GLOBAL FUNDING TRUST [ ] - [ ]

SECURED MEDIUM TERM NOTES

Title of Notes:	Stated Maturity Date:
Principal Amount: \$ _____	Settlement Date and Time:
(or principal amount of foreign or composite currency)	Securities Exchange Listing: / / Yes / / No. If yes, indicate name(s) of Securities Exchange(s):
Original Issue Date:	_____.
Issue Price:	

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Interest Rate or Formula:	
Fixed Rate Note: / / Yes / / No. If yes,	Floating Rate Note: / / Yes / / No. If yes,
Interest Rate:	Regular Floating Rate Notes: / /
Interest Payment Dates:	Inverse Floating Rate Notes: / /
Day Count Convention:	Floating Rate/Fixed Rate Notes: / /
Additional/Other Terms:	Interest Rate:
Amortizing Note: / / Yes / / No. If yes,	Interest Rate Basis(es):
Amortization schedule or formula:	LIBOR / /
Additional/Other Terms:	/ / LIBOR Reuters Page:
Discount Note: / / Yes / / No. If yes,	/ / LIBOR Telerate Page:
Total Amount of Discount:	LIBOR Currency:
Initial Accrual Period of Discount:	Constant Maturity Treasury Rate / /
Interest Payment Dates:	Designated CMT Telerate Page:
Additional/Other Terms:	If Telerate Page 7052:
Redemption Provisions: / / Yes / / No. If yes,	/ / Weekly Average
Initial Redemption Date:	/ / Monthly Average
Initial Redemption Percentage:	Designated CMT Maturity Index:
Annual Redemption Percentage Reduction, if any:	CD Rate / /
Additional/Other Terms:	Commercial Paper Rate / /
Repayment Provisions: / / Yes / / No. If yes,	Federal Funds Rate / /
Optional Repayment Date(s):	Prime Rate / /
Optional Repayment Price:	Treasury Rate / /
Additional/Other Terms:	Eleventh District Cost of Funds Rate / /
Regular Interest Record Date(s):	EURIBOR Rate / /
Sinking Fund:	Other / / See attached.
Specified Currency:	Index Maturity:
Exchange Rate Agent:	Spread and/or Spread Multiplier, if any:
Calculation Agent:	Initial Interest Rate, if any:
Depository:	Initial Interest Reset Date:
Authorized Denominations:	Interest Reset Dates:



Collateral: Allstate Life Insurance Company  
Funding Agreement No(s). / /, all  
proceeds of such Funding Agreement(s), all  
books and records pertaining to such Funding  
Agreement(s) and all rights of the Trust  
pertaining to the foregoing.  
Additional Amounts to be Paid: / / Yes / / No  
Additional/Other Terms:

Interest Determination Date(s):  
Interest Payment Dates:  
Maximum Interest Rate, if any:  
Minimum Interest Rate, if any:  
Fixed Rate Commencement Date, if any:  
Fixed Interest Rate, if any:  
Day Count Convention:  
Additional/Other Terms:

This Note Certificate is a Global Security in respect of a duly authorized issue of Notes (the "Notes") of the Allstate Life Global Funding Trust designated above, a statutory trust organized under the laws of the State of Delaware (the "Trust"). The Notes are issued under the Indenture, dated as of the date hereof (as amended or supplemented from time to time, the "Indenture") between the Trust and J.P. Morgan Trust Company, National Association, as indenture trustee (including any successor, the "Indenture Trustee"). Capitalized terms used

herein and not otherwise defined shall have the respective meanings ascribed in the Standard Indenture Terms, dated as of [ ] (as amended or supplemented from time to time, the "Standard Indenture Terms").

The Trust, for value received, hereby promises to pay to Cede & Co. or its registered assigns, on the Stated Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to redemption or repayment provisions, in each case, if provided for above) the principal amount specified above and, if so specified above, to pay interest from time to time on the Notes represented by this Note Certificate from the Original Issue Date specified above (the "Original Issue Date") or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the rate per annum determined in accordance with the provisions on the reverse hereof and as specified above, until the principal of the Notes represented by this Note Certificate is paid or made available for payment and to pay such other amounts due and owing with respect to the Notes represented by this Note Certificate.

On any exchange or purchase and cancellation of any of the Notes represented by this Note Certificate, details of such exchange or purchase and cancellation shall be entered in the records of the Indenture Trustee. Upon any such exchange or purchase and cancellation, the principal amount of the Notes represented by this Note Certificate shall be charged by the principal amount so exchanged or purchased and cancelled, as provided in the Standard Indenture Terms.

Unless otherwise set forth above, if the Notes are subject to an Annual Redemption Percentage Reduction as specified above, the Redemption Price of the Notes represented by this Note Certificate shall initially be the Initial Redemption Percentage of the principal amount of the Notes represented by this Note Certificate on the Initial Redemption Date and shall decline at each anniversary of the Initial Redemption Date (each such date, a "Redemption Date") by the Annual Redemption Percentage Reduction of such principal amount until the Redemption Price is 100% of such principal amount.

The Notes will mature on the Stated Maturity Date, unless their principal (or, any installment of their 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 the option of the Trust, notice of the Holder's option to elect repayment or otherwise (the Stated Maturity Date or any date prior to the Stated Maturity Date on which the Notes become due and payable, as the case may be, are referred to as the "Maturity Date" with respect to principal of the Notes repayable on such date).

Unless otherwise provided above and except as provided in the following paragraph, the Trust will pay interest on each Interest Payment Date specified above, commencing with the first Interest Payment Date next succeeding the Original Issue Date, and on the Maturity Date; PROVIDED that any payment of principal, premium, if any, interest or other amounts to be made on any Interest Payment Date or on a Maturity Date that is not a Business Day shall be made on the next succeeding Business Day, PROVIDED, HOWEVER, with respect to an Interest Payment Date other than the Maturity Date, if the Notes are LIBOR Notes (as defined in Section 3 on the reverse hereof) and that next succeeding Business Day falls in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

Unless otherwise specified above, the interest payable on each Interest Payment Date or on the Maturity Date will be the 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").



will be borne by the relevant registered holders of such 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 Regular Interest 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 Regular Interest 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 on the face hereof, if the Specified Currency is other than United States dollars, a beneficial owner hereof which elects to receive payments of principal, premium, if any, and/or interest, if any, in the Specified Currency must notify the DTC participant (the "Participant") through which it owns its interest on or prior to the applicable

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Regular Interest 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 Depository of its election on or prior to the third Business Day after the applicable Regular 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 Regular Interest 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 Depository, and by the Depository to the Indenture Trustee, on or prior to such dates, then the applicable beneficial owner will receive payments in the Specified Currency.

Unless otherwise specified on the face hereof, if payment in the Specified Currency hereon is not available to the Trust 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 the Trust's control, then the Trust will be entitled to satisfy its obligations 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. Any payment in respect hereof made under such circumstances in U.S. Dollars will not constitute an Event of Default under the Indenture.

In the event that a member state of the European Union in whose national currency is the Specified Currency becomes a participant member in the third stage of the European economic and monetary union, the Trust may on or after the date of such occurrence, without the consent of the Holder hereof, redenominate all, but not less than all, of the Notes hereof.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and, in the absence of manifest error, shall be conclusive for all purposes and binding on the Holder hereof.

All currency exchange costs will be borne by the Holder hereof by deduction from the payments made hereon.

### SECTION 3. DETERMINATION OF INTEREST RATE AND OTHER PAYMENT PROVISIONS.

**FIXED RATE NOTES.** If the Notes are designated on the face hereof as "Fixed Rate Notes," the Notes will bear interest from the Original Issue Date until the Maturity Date. Unless otherwise specified on the face hereof, the rate of interest payable on the Notes will not be adjusted; unless otherwise specified on the face hereof, interest will be payable on the Interest Payment Dates set forth on the face hereof and at the Maturity Date. Interest 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 Fixed Rate Notes falls on a day that is not a Business Day, any payments of principal, premium, if any, and/or interest or other amounts required to be made, may be made

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

**DISCOUNT NOTES.** If the Notes are designated on the face hereof as "Discount Notes" (as defined below), payments in respect of the Notes shall be made as set forth on the face hereof. In the event a Discount Note is redeemed, repaid or accelerated, the amount payable to the Holder of such Note on the Maturity Date will be equal to the sum of (1) the Issue Price (increased by any accruals of discount) and, in the event of any redemption of such Discount Notes, if applicable, multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable); and (2) any unpaid interest accrued on such Discount Notes to the date of redemption, repayment or acceleration of maturity, as applicable. For purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity of the Notes occurs for Discount Notes, the 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 Discount Notes (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to Discount Notes and an assumption that the maturity of such Discount Notes will not be accelerated. If the period from the date of issue to the first Interest Payment Date for Discount Notes (the "Initial Period") is shorter than the compounding period for such 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. A "Discount Note" is any Note that has 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 Date.

**AMORTIZING NOTES.** If the Notes are specified on the face hereof as "Amortizing Notes," the Notes shall bear interest at the rate set forth on the face hereof, and payments of principal and interest shall be made as set forth on the face hereof and/or in accordance with SCHEDULE I attached hereto. Unless otherwise specified on the face hereof, interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable on the Notes and then to the reduction of the unpaid principal amount of Notes represented by this Note Certificate.

**FLOATING RATE NOTES.** If the Notes are specified on the face hereof as "Floating Rate Notes," interest on the Notes shall accrue and be payable in accordance with this Section 3. A Floating Rate Note may be a CD Rate Note, CMT Rate Note, Commercial Paper Rate Note, Eleventh District Cost of Funds Rate Note, Federal Funds Rate Note, LIBOR Note, EURIBOR Note, Prime Rate Note, Treasury Rate Note, or as otherwise set forth on the face hereof. If the Notes are designated on the face hereof as Floating Rate Notes, the face hereof will specify whether the Notes are Regular Floating Rate Notes, Inverse Floating Rate Notes or Floating Rate/Fixed Rate Notes. For the period from the date of issue to, but not including, the first Interest Reset Date set forth on the face hereof, the interest rate hereon shall be the Initial Interest Rate specified on the face hereof. Thereafter, the interest rate hereon will be reset as of and be effective as of each Interest Reset Date.

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- (A) If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day; PROVIDED, HOWEVER, that if the Notes are LIBOR Notes and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the Business Day immediately preceding such Interest Reset Date.
- (B) Unless specified otherwise on the face hereof, Interest Reset Dates are as follows: (1) if the Notes reset daily, each Business Day, (2) if the Notes reset weekly, other than Treasury Rate Notes, the Wednesday of each week, (3) if the Notes are Treasury Rate Notes that reset weekly, and except as provided below under "Treasury Rate Notes," the Tuesday of each week, (4) if the Notes reset monthly, the third Wednesday of each month, unless the Eleventh District Cost of Funds Rate is the Interest Rate Basis (as defined below) applicable to the Notes, in which case the Notes will reset the first calendar day of the month, (5) if the Notes reset quarterly, the third Wednesday of March, June, September and December of each year, (6) if the Notes reset semiannually, the third Wednesday of each of the two months specified on the face hereof and (7) if the Notes reset annually, the third Wednesday of the month specified each year; PROVIDED, HOWEVER, that with respect to Floating Rate/ Fixed Rate Notes, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date specified on the face hereof (the "Fixed Rate Commencement Date").

(C) 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 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 Floating Rate Notes as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for 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 on the face hereof applied. The interest rate shall be set forth on the face hereof. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. Unless otherwise specified on the face hereof, the interest rate that is effective on the applicable Interest Reset Date will be determined on the applicable Interest Determination Date and calculated on the applicable Calculation Date (as defined below). "Calculation Date" means the date by which the Calculation Agent designated on the face hereof, is to calculate the interest rate which will be the earlier of (1) 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 (2) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

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(D) Unless otherwise specified on the face hereof, 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. 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).

Unless otherwise specified on the face hereof and except as provided below, interest will be payable as follows: (1) if the Interest Reset Date for the Notes is daily, weekly or monthly, interest will be payable on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified on the face hereof, (2) if the Interest Reset Date for the Notes is quarterly, interest will be payable on the third Wednesday of March, June, September, and December of each year, (3) if the Interest Reset Date for the Notes is semiannually, interest will be payable on the third Wednesday of each of two months specified on the face hereof of each year, (4) if the Interest Reset Date for the Notes is annually, interest will be payable on the third Wednesday of the month specified on the face hereof of each year. In each of these cases, interest will also be payable on the Maturity Date.

If specified on the face hereof, the Notes may have either or both of a Maximum Interest Rate or Minimum Interest Rate. If a Maximum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever exceed such Maximum Interest Rate and in the event that the interest rate on any Interest Reset Date would exceed such Maximum Interest Rate (as if no Maximum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Maximum Interest Rate. If a Minimum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever be less than such Minimum Interest Rate and in the event that the interest rate on any Interest Reset Date would be less than such Minimum Interest Rate (as if no Minimum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Minimum Interest Rate. Notwithstanding anything to the contrary contained herein, if the Notes are designated on the face hereof as Floating Rate Notes, the interest rate on Notes shall not exceed the maximum interest rate permitted by applicable law.

All determinations of interest by the Calculation Agent designated on the face hereof will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of the Notes and neither the Indenture Trustee nor the Calculation Agent shall have any liability to the Holder of the Notes in respect of any determination, calculation, quote or rate made or provided by the Calculation Agent. Upon request of the Holder of the Notes, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to the Notes. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the interest rate for any interest accrual period or to calculate the interest amount or any other requirements, the Trust will appoint a successor to act as

such in its place. The Calculation Agent may not resign its duties until a successor has been appointed and such successor has accepted its appointment.

Subject to applicable provisions of law and except as specified herein, on each Interest

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Reset Date, the rate of interest on the Notes on and after the first Interest Reset Date shall be the interest rate determined in accordance with the provisions of the heading below which has been designated as the Interest Rate Basis on the face hereof (the "Interest Rate Basis"), the base rate, plus or minus the Spread, if any, specified on the face hereof and/or multiplied by the Spread Multiplier, if any, specified on the face hereof.

- (A) CD RATE NOTES. If the Interest Rate Basis is the CD Rate, the Notes shall be deemed to be "CD Rate Notes." CD Rate Notes will bear interest at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CD Rate on each Interest Determination Date. The Interest Determination Date is the second Business Day immediately preceding the related Interest Reset Date. "CD Rate" means the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or, if 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 the particular Index Maturity as published in the H.15 Daily Update (as defined below) or other recognized electronic source used for the purpose of displaying the applicable rate under the heading "CDs (secondary market)." If such rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate will be 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, if the dealers so selected by the Calculation Agent are not quoting as described in the preceding sentence, the CD Rate in effect on the particular Interest Determination Date. "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; and "H.15 Daily Update" means the daily update of H.15(519), available through the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.
- (B) CMT RATE NOTES. If the Interest Basis is the CMT Rate, the Notes shall be deemed to be "CMT Rate Notes." CMT Rate Notes will bear interest at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CMT Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is the second Business Day prior to the Interest Reset Date. "CMT Rate"

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means (1) if CMT Moneyline Telerate Page 7051 is specified on the face hereof: (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 one 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 that time, or (g) if fewer than five but more than

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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 on the face hereof (a) the percentage equal to the one-week or one-month, as specified on the face hereof, average yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 on the face hereof, 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 on the face hereof, 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 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 one 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 on the face hereof 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.

(C) COMMERCIAL PAPER RATE NOTES. If the Interest Rate Basis is the Commercial Paper Rate, the Notes shall be deemed to be "Commercial Paper Rate Notes." Commercial Paper Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Commercial Paper Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "Commercial Paper Rate" means the Money Market Yield (calculated as described below) on the Interest Determination Date of the rate for commercial paper having the applicable Index Maturity as such rate is published in H.15(519) under the heading "Commercial Paper -- Nonfinancial." If such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial paper having the particular Index Maturity as published on H.15 Daily Update or such other recognized electronic source used for the purposes of displaying the applicable rate, under the caption "Commercial Paper -- Nonfinancial", or if such rate is not published by 3:00 P.M., New York City time, on the Calculation Date, then the Commercial Paper Rate as calculated by the Calculation Agent shall be 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; PROVIDED, HOWEVER, that if the dealers selected by the Calculation Agent are not quoting offered rates as mentioned above, the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" shall be 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 per annum rate for the 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 Period.

- (D) ELEVENTH DISTRICT COST OF FUNDS RATE NOTES. If the Interest Basis is the Eleventh District Costs of Funds Rate, the Notes shall be deemed to be "Eleventh District Cost of Funds Rate Notes." Eleventh District Cost of Funds Notes will bear interest at the interest rate calculated with reference to the Eleventh District Cost of Funds Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Eleventh District Cost of Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is 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 Eleventh District Index. The "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 "Eleventh District 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 Eleventh District 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.
- (E) FEDERAL FUNDS RATE NOTES. If the Interest Rate Basis is the Federal Funds Rate, the Notes shall be deemed to be "Federal Funds Rate Notes." Federal Funds Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Federal Funds Rate on each applicable Interest Determination Date. The Interest Determination Date is the

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Business Day immediately preceding the related Interest Reset Date. "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 (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.

- (F) LIBOR NOTES. If the Interest Rate Basis is LIBOR (as defined below), the Notes shall be deemed to be "LIBOR Notes." LIBOR Notes will bear interest for each Interest Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any. On each applicable Interest Determination Date the Calculation Agent will determine LIBOR. The applicable Interest Determination Date is the second London Banking Day preceding the related Interest Reset Date.

LIBOR means: (1) if "LIBOR Moneyline Telerate" is specified on the face hereof or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the rate for deposits in the LIBOR

Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the related Interest Reset Date, that appears on the LIBOR Page (as defined below) as of 11:00 A.M., London time, on the particular Interest Determination Date, or (2) if "LIBOR Reuters" is specified on the face hereof, 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

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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 (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 on the face hereof as to which LIBOR shall be calculated or, if no currency is specified on the face hereof, United States dollars.

"LIBOR Page" means either: if "LIBOR Reuters" is specified on the face hereof as the method for calculating LIBOR, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (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 on the face hereof or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service) on the page specified on the face hereof (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.

"London Banking Day" means a day on which commercial banks are open for business (including dealings in the LIBOR Currency) in London.

- (G) EURIBOR RATE NOTES. If the Interest Rate Basis is EURIBOR (as defined below), the Notes shall be deemed to be "EURIBOR Notes." EURIBOR Notes will bear interest at the rates (calculated with references to the European inter-bank offered rate for deposits in Euro, or "EURIBOR", and the Spread and/or

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Spread Multiplier, if any) specified on the face hereof.

"EURIBOR" means, with respect to any Interest Determination Date relating to EURIBOR Notes or Notes that bear interest at floating rates for which the interest rate is determined with reference to EURIBOR (a "EURIBOR Interest Determination Date"), the rate for deposits in Euros as sponsored, calculated and published jointly

by the European Banking Federation and ACI -- The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, as the rate appears on Moneyline Telerate, Inc., or any successor service, on page 248 (or any other page as may replace that specified page on the service) ("Moneyline Telerate Page 248") as of 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 248, or is not so published by 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date, such rate will be calculated by the Calculation Agent and will be the arithmetic mean of at least two quotations obtained by the Calculation Agent after requesting the principal Euro-zone (as defined below) offices of four major banks in the Euro-zone interbank market to provide the Calculation Agent with its offered quotation for deposits in Euros for the period of the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, to prime banks in the Euro-zone interbank market at approximately 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euro in the market at that time. If fewer than two such quotations are so provided, the rate on the applicable EURIBOR Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date by four major banks in the Euro-zone for loans in Euro to leading European banks, having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euros in the market at that time. If the banks so selected by the Calculation Agent are not quoting as mentioned above, EURIBOR will be EURIBOR in effect on the applicable EURIBOR Interest Determination Date.

"Euro-zone" means the region comprised of 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.

- (H) PRIME RATE NOTES. If the Interest Rate Basis is the Prime Rate, the Notes shall be

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deemed to be "Prime Rate Notes." Prime Rate Notes will bear interest for each Interest Reset Date calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any, subject to the Minimum Interest Rate and/or Maximum Interest Rate, if any, specified on the face hereof. The Calculation Agent will determine the Prime Rate for each Interest Reset Date on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 on 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.

- (I) TREASURY RATE NOTES. If the Interest Rate Basis is the Treasury Rate, the Notes shall be deemed to be "Treasury Rate Notes." Treasury Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Treasury Rate on each Treasury Rate Determination Date (as defined below). "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 on the face hereof 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

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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 on the face hereof, 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 Period.

The "Treasury Rate Determination Date" for each Interest Reset Date means the day in the week in which the related Interest Reset Date falls on which day Treasury Bills 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);

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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.

- (J) REGULAR FLOATING RATE NOTES. Unless the Notes are designated as Floating Rate/Fixed Rate Notes or 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 Notes that bear interest at floating rates will be 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. Commencing on the first Interest Reset Date, as specified on the face hereof, the rate at which interest on 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.
- (K) FLOATING RATE/FIXED RATE NOTES. If the Notes are designated as "Floating Rate/Fixed Rate Notes" on the face hereof, such Notes that bear interest at floating rates 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 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 on the face hereof; and the interest rate in effect commencing on the Fixed Rate Commencement Date will be the Fixed Interest Rate, if specified on the face hereof, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.
- (L) INVERSE FLOATING RATE NOTES. If the Notes are designated as "Inverse Floating Rate Notes" on the face hereof, the Inverse Floating Rate shall be equal to 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 Inverse Floating Rate Notes will not be less than zero. Commencing on the first Interest Reset Date, the rate at which interest on 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.

SECTION 4. OPTIONAL REDEMPTION. Except in the case of Discount Notes, if any Initial Redemption Date is specified on the face hereof, the Trust may redeem the Notes prior to the Stated Maturity Date at its option on any Business Day on or after the 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 on the face hereof

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at the applicable Redemption Price (as defined below) together with any unpaid interest accrued on the Notes, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date. Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holders of the Notes to be redeemed not more than 60 nor less than 30 days prior to the Redemption Date. "Redemption Price" means an amount equal to the Initial Redemption Percentage specified on the face hereof (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount of Notes represented by this Note Certificate to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by an 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.

SECTION 5. SINKING FUNDS AND AMORTIZING NOTES. Unless otherwise specified on the face hereof or unless the Notes are Amortizing Notes, the Notes will not be subject to, or entitled to the benefit of, any sinking fund. If it is specified on the face hereof that the Notes are Amortizing Notes, the Trust will make payments combining principal and interest on the dates and in the amounts set forth in the table appearing in SCHEDULE I, attached to this Note Certificate. If the Notes are Amortizing Notes, payments made on the Notes will be applied first to interest due and payable on each such payment date and then to the reduction of the unpaid principal amount.

SECTION 6. OPTIONAL REPAYMENT. If so specified on the face hereof, the

Holder or Holders of the Notes may require the Trust to repay the Notes on the Optional Repayment Date(s) specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or any other integral multiple of an authorized denomination specified on the face hereof (PROVIDED that any remaining principal amount of the Notes shall be at least U.S.\$1,000 or any other integral multiple of an authorized denomination specified on the face hereof), at a repayment price equal to 100% of the unpaid principal amount of the Notes to be repaid, together with unpaid interest accrued thereon to the Repayment Date (as defined below) and any other amounts then due and owing. For the Notes to be so repaid, the Indenture Trustee must receive at its Corporate Trust Office not more than 60 nor less than 30 calendar days prior to the applicable Repayment Date, a properly completed Option to Elect Repayment form, which is attached hereto as Annex A, forwarded by the Holder or Holders of the Notes. Exercise of such repayment option shall be irrevocable. As used herein, the term "Repayment Date" shall mean the date fixed for repayment in accordance with the repayment provisions specified above.

SECTION 7. TAX REDEMPTION. If (i) the Trust is required at any time to pay Additional Amounts (as defined below) or if the Trust is obligated to withhold or deduct any United States taxes with respect to any payment under the Notes, as set forth in the Note Certificates, or if there is a material probability that the Trust 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's or the Trusts'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 the terms of such Funding Agreement, then the Trust will redeem the Funding Note 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.

Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holder of the Notes to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; PROVIDED, that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the Trust would become obligated to pay the applicable Additional Amounts were a payment in respect of the Notes then due. Failure to give such notice to the Holder of any portion of the Notes 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 Notes.

SECTION 8. REGISTRATION, TRANSFER AND EXCHANGE. As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of the Notes represented by this Note Certificate is registrable in the records of J.P. Morgan Trust Company, National Association, in its capacity as registrar. Upon surrender of this Note Certificate for registration of transfer at the office or agency of the Trust in any place where the principal of and interest on the Notes are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trust and the registrar duly executed by, the Holder or by his or her attorney duly authorized in writing, and thereupon one or more new Note Certificates having the same terms and provisions, in authorized denominations and for the same aggregate principal amount, will be issued by the Trust to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein

and herein set forth, the Notes represented by this Note Certificate are exchangeable for a like aggregate principal amount of Notes in authorized denominations but otherwise having the same terms and provisions, as requested by the Holder of this Note Certificate surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Trust or Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note Certificate for registration of transfer, the Trust, the Indenture Trustee and any agent of the Trust or the Indenture Trustee may treat the Holder as the owner of the Notes for all purposes, including receiving payment of principal of and interest on the Notes, whether or not the Notes be overdue, and neither the Trust, the Indenture Trustee nor any such agent shall be affected by notice to the contrary, except as required by law.

SECTION 9. CERTIFICATED NOTES. Under certain circumstances described in the Indenture, the Trust will issue Certificated Notes in exchange for the Book-Entry Notes represented by a Global Security. 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 Depositary shall instruct the Registrar.

SECTION 10. MODIFICATIONS AND AMENDMENTS. The Indenture contains provisions permitting the Trust and the Indenture Trustee (1) without the consent of any Holder, to execute Supplemental Indentures for limited purposes and take other actions set forth in the Indenture, and (2) with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of Notes at the time outstanding, evidenced as provided in the Indenture, 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 subject to specified limitations.

SECTION 11. OBLIGATIONS UNCONDITIONAL. No reference herein to the Indenture or to the Standard Indenture Terms and no provision of the Notes 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, the Notes at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

SECTION 12. COLLATERAL. Pursuant to the Indenture, the Trust will pledge and collaterally assign the relevant Funding Agreement(s) issued by the Funding Agreement Provider in connection with the issuance of the Notes (each, a "Funding Agreement") to the Indenture Trustee. The Notes will be secured by the Security Interest in the Collateral in favor of the Indenture Trustee for the benefit of the Holders of the Notes and each other persons for whose benefit the Indenture Trustee is or will be holding the Collateral (the "Secured Parties").

SECTION 13. SECURITY; LIMITED RECOURSE. The Notes are solely the obligations of the Trust, and will not be guaranteed by any person, including but not limited to the Funding Agreement Provider,

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Global Funding, any Agent, the Trust Beneficial Owner, the Delaware Trustee, the Indenture Trustee or any of their affiliates. The Trust's obligations under the Notes will be secured by all of the Trust's rights and title in one or more Funding Agreement(s) issued by the Funding Agreement Provider and other rights and assets included in the applicable Collateral. The Holder or Holders of the Notes have no direct contractual rights against the Funding Agreement Provider under the Funding Agreement(s). Under the terms of each Funding Agreement, recourse rights to the Funding Agreement Provider will belong to the Trust, its successors and permitted assignees. The Trust has pledged and collaterally assigned each Funding Agreement to the Indenture Trustee and has granted the Security Interest in the Collateral to the Indenture Trustee for the benefit of the Secured Parties. Recourse to the Funding Agreement Provider under each Funding Agreement will be enforceable only by the Indenture Trustee on behalf of the Secured Parties.

SECTION 14. EVENTS OF DEFAULT. If one or more Events of Default, as defined in the Indenture, shall have occurred and be continuing with respect to the Notes, then, and in every such event, unless the principal of the Notes shall have already become due and payable, the entire principal and premium (if any) of the Notes, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, may be declared to be, and upon any such declaration the same shall become immediately, due and payable; PROVIDED that, with respect to certain Events of Default, without any notice to the Trust or any other act by the Indenture Trustee or any Holder of the Notes, the entire principal and premium (if any) of the Notes, 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. If the Notes are Discount Notes, the amount of principal of the Notes that becomes due and payable upon such acceleration shall be equal to the amount calculated as set forth in Section 3 hereof.

SECTION 15. WITHHOLDING; ADDITIONAL AMOUNTS; TAX EVENT. 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 payments on the Notes unless the withholding or deduction is required by law. Unless otherwise specified on the face hereof, the Trust will not pay any additional amounts ("Additional Amounts") to Holders of the 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. If the Trust is required to pay Additional Amounts pursuant to Section [3.1(c)] of the Standard Indenture Terms and unless otherwise specified herein, the Trust shall give a notice of redemption to each Holder of the Notes to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; provided that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the Trust would become obligated to pay the applicable Additional Amounts were a payment in respect of the 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 Note or any portion thereof. "Tax Event" means that the Trust shall have become required at any time to pay Additional Amounts or if the Trust is 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 the Trust 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 the Trust's receipt of a written adjustment from the Internal Revenue Service in connection with an audit).

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SECTION 16. LISTING. Unless otherwise specified on the face hereof, the Notes will not be listed on any securities exchange.

SECTION 17. NO RECOURSE. Notwithstanding anything to the contrary contained in the Indenture, or the Note Certificates or Supplemental Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Indenture Trustee or the Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "NON-RECOURSE 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, 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 Collateral. Neither the Holders nor the Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties 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 Collateral.

SECTION 18. GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

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Annex A

#### OPTION TO ELECT REPAYMENT

The undersigned beneficial owner of the Notes hereby irrevocably elects to have the Trust repay the principal amount of the Notes or portion hereof at the optional repayment price in accordance with the terms of the Notes.

Date: \_\_\_\_\_

Signature

Sign exactly as name appears on the front of this Note Certificate  
[SIGNATURE GUARANTEED - required only if Notes are to be issued and delivered to other than the registered Holder]

Fill in for registration of Notes if to be issued otherwise than to the registered Holder:

Principal amount to be repaid, if amount to be repaid is less than the principal amount of the Notes represented by this Note Certificate (principal amount remaining must be an authorized denomination)





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I-1

FORM OF DEFINITIVE SECURITY FOR  
SECURED MEDIUM TERM NOTES PROGRAM

## [FACE OF DEFINITIVE SECURITY]

UNLESS THIS NOTE CERTIFICATE IS PRESENTED BY THE HOLDER (AS DEFINED IN THE STANDARD INDENTURE TERMS) OR AN AUTHORIZED REPRESENTATIVE OF THE HOLDER TO THE TRUST (HEREINAFTER DEFINED) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED HOLDER HEREOF HAS AN INTEREST HEREIN.

THIS NOTE CERTIFICATE IS A DEFINITIVE SECURITY WITHIN THE MEANING OF THE STANDARD INDENTURE TERMS (HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE HOLDER HEREOF. THIS NOTE IS NOT EXCHANGEABLE FOR A GLOBAL SECURITY (AS DEFINED IN THE STANDARD INDENTURE TERMS).

CUSIP No.:

ALLSTATE LIFE GLOBAL FUNDING TRUST [ ] - [ ]

SECURED MEDIUM TERM NOTES

Title of Notes:	Stated Maturity Date:
Principal Amount: \$ _____ (or principal amount of foreign or composite currency)	Settlement Date and Time:
Original Issue Date:	Securities Exchange Listing: / / Yes / / No. If yes, indicate name(s) of Securities Exchange(s):
Issue Price:	
Interest Rate or Formula:	Floating Rate Note: / / Yes / / No. If yes, Regular Floating Rate Notes: / / Inverse Floating Rate Notes: / / Floating Rate/Fixed Rate Notes: / / Interest Rate:
Fixed Rate Note: / / Yes / / No. If yes, Interest Rate:	Interest Rate Basis(es): LIBOR / / / / LIBOR Reuters Page: / / LIBOR Telerate Page: LIBOR Currency:
Interest Payment Dates:	Constant Maturity Treasury Rate / / Designated CMT Telerate Page: If Telerate Page 7052: / / Weekly Average / / Monthly Average
Day Count Convention:	
Additional/Other Terms:	
Amortizing Note: / / Yes / / No. If yes, Amortization schedule or formula:	
Additional/Other Terms:	
Discount Note: / / Yes / / No. If yes, Total Amount of Discount:	
Initial Accrual Period of Discount:	
Interest Payment Dates:	
Additional/Other Terms:	

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Redemption Provisions: / / Yes / / No. If yes, Initial Redemption Date:	Designated CMT Maturity Index: CD Rate / / Commercial Paper Rate / / Federal Funds Rate / / Prime Rate / / Treasury Rate / / Eleventh District Cost of Funds Rate / / EURIBOR Rate / / Other / / See attached.
Initial Redemption Percentage:	
Annual Redemption Percentage Reduction, if any:	
Additional/Other Terms:	
Repayment Provisions: / / Yes / / No. If yes, Optional Repayment Date(s):	Index Maturity: Spread and/or Spread Multiplier, if any: Initial Interest Rate, if any: Initial Interest Reset Date: Interest Reset Dates: Interest Determination Date(s): Interest Payment Dates: Maximum Interest Rate, if any: Minimum Interest Rate, if any: Fixed Rate Commencement Date, if any: Fixed Interest Rate, if any: Day Count Convention:
Optional Repayment Price:	
Additional/Other Terms:	
Regular Interest Record Date(s):	Additional/Other Terms:
Sinking Fund:	
Specified Currency:	
Exchange Rate Agent:	
Calculation Agent:	
Depositary:	
Authorized Denominations:	
Collateral: Allstate Life Insurance Company Funding Agreement No(s). / /, all proceeds of such Funding Agreement(s), all books and records pertaining to such Funding Agreement(s) and all rights of the Trust pertaining to the foregoing.	
Additional Amounts to be Paid: / / Yes / / No	
Additional/Other Terms:	

This Note Certificate is a Definitive Security in respect of a duly authorized issue of Notes (the "Notes") of the Allstate Life Global Funding Trust designated above, a statutory trust organized under the laws of the State

of Delaware (the "Trust"). The Notes are issued under the Indenture, dated as of the date hereof (as amended or supplemented from time to time, the "Indenture") between the Trust and J.P. Morgan Trust Company, National Association, as indenture trustee (including any successor, the "Indenture Trustee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed in the Standard Indenture Terms, dated as of [ ] (as amended or supplemented from time to time, the "Standard Indenture Terms").

The Trust, for value received, hereby promises to pay to the Holder hereof or its registered assigns, on the Stated Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to redemption or repayment provisions, in each case, if provided for above) the principal amount specified above and, if so specified above, to pay interest from time to time on the Notes represented by this Note Certificate from the Original Issue Date specified above (the "Original Issue Date") or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the rate per annum determined in accordance with the provisions on the reverse hereof and as specified above, until the principal of the Notes represented by this Note Certificate is paid or made available for payment and to pay such other amounts due and owing with respect to the Notes represented by this Note Certificate.

On any exchange or purchase and cancellation of any of the Notes represented by this Note Certificate, details of such exchange or purchase and cancellation shall be entered in the records of the Indenture Trustee. Upon any such exchange or purchase and cancellation, the principal amount of the Notes represented by this Note Certificate shall be charged by the principal amount so exchanged or purchased and cancelled, as provided in the Standard Indenture Terms.

Unless otherwise set forth above, if the Notes are subject to an Annual Redemption Percentage Reduction as specified above, the Redemption Price of the Notes represented by this Note Certificate shall initially be the Initial Redemption Percentage of the principal amount of the Notes represented by this Note Certificate on the Initial Redemption Date and shall decline at each anniversary of the Initial Redemption Date (each such date, a "Redemption Date") by the Annual Redemption Percentage Reduction of such principal amount until the Redemption Price is 100% of such principal amount.

The Notes will mature on the Stated Maturity Date, unless their principal (or, any installment of their 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 the option of the Trust, notice of the Holder's option to elect repayment or otherwise (the Stated Maturity Date or any date prior to the Stated Maturity Date on which the Notes become due and payable, as the case may be, are referred to as the "Maturity Date" with respect to principal of the Notes repayable on such date).

Unless otherwise provided above and except as provided in the following paragraph, the Trust will pay interest on each Interest Payment Date specified above, commencing with the first Interest Payment Date next succeeding the Original Issue Date, and on the Maturity Date; PROVIDED that any payment of principal, premium, if any, interest or other amounts to be made on any Interest Payment Date or on a Maturity Date that is not a Business Day shall be made on the next succeeding Business Day, PROVIDED, HOWEVER, with respect to an Interest Payment Date other than the Maturity Date, if the Notes are LIBOR Notes (as defined in Section 3 on the reverse hereof) and that next succeeding Business Day falls in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

Unless otherwise specified above, the interest payable on each Interest Payment Date or on the Maturity Date will be the 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").

Reference is hereby made to the further provisions of the Notes set forth on the reverse hereof and, if so specified on the face hereof, in an Addendum hereto, which further provisions shall for all purposes have the same force and effect as if set forth on the face hereof.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to the Notes as specified above, the Notes shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

The Notes represented by this Note Certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by the Indenture Trustee pursuant to the Indenture.

IN WITNESS WHEREOF, the Trust has caused this instrument to be duly executed on its behalf.

Dated: Original Issue Date

THE ALLSTATE LIFE GLOBAL FUNDING TRUST  
SPECIFIED ON THE FACE OF THIS NOTE  
CERTIFICATE,  
as Issuer

By: WILMINGTON TRUST COMPANY,  
not in its individual capacity  
but solely as Delaware Trustee.

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

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 Standard Indenture Terms.

Dated: Original Issue Date

J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Indenture Trustee

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

[REVERSE OF DEFINITIVE SECURITY]

SECTION 1. GENERAL. This Note Certificate is a Definitive Security in respect of a duly authorized issue of Notes of the Trust. The Notes are issued pursuant to the Indenture.

SECTION 2. CURRENCY. The Notes are denominated in, and payments of principal of, premium, if any, and interest on, if any, and other amounts in respect of, the Notes will be in the Specified Currency designated on the face hereof. If the Notes are Foreign Currency Notes, any amounts so payable by the Trust in the Specified Currency will be converted by the exchange rate agent designated on the face hereof (the "Exchange Rate Agent") into United States dollars for payment to the registered holders hereof unless otherwise specified on the face hereof or a registered holder elects, in the manner described below, to receive payments in the 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 the control of the Trust, the Trust will be entitled to satisfy the obligations to the registered holders of such Foreign Currency Notes by making payments in United States dollars 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 Trust 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 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 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 Regular Interest 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 Regular Interest 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 on the face hereof, if the Specified Currency is other than United States dollars, if the Holder hereof elects to receive payments of principal, premium, if any, and/or interest, if any, in the Specified Currency, the Holder must notify the Indenture Trustee of that election on or prior to the fifth Business Day after the applicable Regular Interest

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 Indenture Trustee on or prior to such dates, then the Holder will receive payments in the Specified Currency.

Unless otherwise specified on the face hereof, if payment in the Specified Currency hereon is not available to the Trust 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 the Trust's control, then the Trust will be entitled to satisfy its obligations 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. Any payment in respect hereof made under such circumstances in U.S. Dollars will not constitute an Event of Default under the Indenture.

In the event that a member state of the European Union in whose national currency is the Specified Currency becomes a participant member in the third stage of the European economic and monetary union, the Trust may on or after the date of such occurrence, without the consent of the Holder hereof, redenominate all, but not less than all, of the Notes hereof.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and, in the absence of manifest error, shall be conclusive for all purposes and binding on the Holder hereof.

All currency exchange costs will be borne by the Holder hereof by deduction from the payments made hereon.

### SECTION 3. DETERMINATION OF INTEREST RATE AND OTHER PAYMENT PROVISIONS.

**FIXED RATE NOTES.** If the Notes are designated on the face hereof as "Fixed Rate Notes," the Notes will bear interest from the Original Issue Date until the Maturity Date. Unless otherwise specified on the face hereof, the rate of interest payable on the Notes will not be adjusted; unless otherwise specified on the face hereof, interest will be payable on the Interest Payment Dates set forth on the face hereof and at the Maturity Date. Interest 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 Fixed Rate Notes falls on a day that is not a Business Day, any payments of principal, premium, if any, and/or interest or other amounts required to be made, may be made on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

**DISCOUNT NOTES.** If the Notes are designated on the face hereof as "Discount Notes" (as defined below), payments in respect of the Notes shall be made as set forth on the face hereof. In the event a Discount Note is redeemed, repaid or accelerated, the amount payable to the Holder of such Note on the Maturity Date will be equal to the sum of (1) the Issue Price

(increased by any accruals of discount) and, in the event of any redemption of such Discount Notes, if applicable, multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable); and (2) any unpaid interest accrued on such Discount Notes to the date of redemption, repayment or acceleration of maturity, as applicable. For purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity of the Notes occurs for Discount Notes, the 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 Discount Notes (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to Discount Notes and an assumption that the maturity of such Discount Notes will not be accelerated. If the period from the date of issue to the first Interest Payment Date for Discount Notes (the "Initial Period") is shorter than the compounding period for such 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. A "Discount Note" is any Note that has 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 Date.

**AMORTIZING NOTES.** If the Notes are specified on the face hereof as "Amortizing Notes," the Notes shall bear interest at the rate set forth on the face hereof, and payments of principal and interest shall be made as set forth on the face hereof and/or in accordance with SCHEDULE I attached hereto. Unless otherwise specified on the face hereof, interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable on the Notes and then to the reduction of the unpaid principal amount of Notes represented by this Note Certificate.

**FLOATING RATE NOTES.** If the Notes are specified on the face hereof as "Floating Rate Notes," interest on the Notes shall accrue and be payable in accordance with this Section 3. A Floating Rate Note may be a CD Rate Note, CMT Rate Note, Commercial Paper Rate Note, Eleventh District Cost of Funds Rate Note, Federal Funds Rate Note, LIBOR Note, EURIBOR Note, Prime Rate Note, Treasury Rate Note, or as otherwise set forth on the face hereof. If the Notes are designated on the face hereof as Floating Rate Notes, the face hereof will specify whether the Notes are Regular Floating Rate Notes, Inverse Floating Rate Notes or Floating Rate/Fixed Rate Notes. For the period from the date of issue to, but not including, the first Interest Reset Date set forth on the face hereof, the interest rate hereon shall be the Initial Interest Rate specified on the face hereof. Thereafter, the interest rate hereon will be reset as of and be effective as of each Interest Reset Date.

- (A) If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day; PROVIDED, HOWEVER, that if the Notes are LIBOR Notes and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the Business Day immediately preceding such Interest Reset Date.
- (B) Unless specified otherwise on the face hereof, Interest Reset Dates are as follows:

(1) if the Notes reset daily, each Business Day, (2) if the Notes reset weekly, other than Treasury Rate Notes, the Wednesday of each week, (3) if the Notes are Treasury Rate Notes that reset weekly, and except as provided below under "Treasury Rate Notes," the Tuesday of each week, (4) if the Notes reset monthly, the third Wednesday of each month, unless the Eleventh District Cost of Funds Rate is the Interest Rate Basis (as defined below) applicable to the Notes, in which case the Notes will reset the first calendar day of the month, (5) if the Notes reset quarterly, the third Wednesday of March, June, September and December of each year, (6) if the Notes reset semiannually, the third Wednesday of each of the two months specified on the face hereof and (7) if the Notes reset annually, the third Wednesday of the month specified each year; PROVIDED, HOWEVER, that with respect to Floating Rate/ Fixed Rate Notes, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date specified on the face hereof (the "Fixed Rate Commencement Date").

- (C) 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 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 Floating Rate Notes as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for 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 on the face hereof applied. The interest rate shall be set forth on the face hereof. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. Unless otherwise specified on the face hereof, the interest rate that is effective on the applicable Interest Reset Date will be determined on the applicable Interest Determination Date and calculated on the applicable Calculation Date (as defined below). "Calculation Date" means the date by which the Calculation Agent designated on the face hereof, is to calculate the interest rate which will be the earlier of (1) 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 (2) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

- (D) Unless otherwise specified on the face hereof, 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. 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).

Unless otherwise specified on the face hereof and except as provided below, interest will be payable as follows: (1) if the Interest Reset Date for the Notes is daily, weekly or monthly, interest will be payable on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified on the face hereof, (2) if the Interest Reset Date for the Notes is quarterly, interest will be payable on the third Wednesday of March, June, September, and December of each year, (3) if the Interest Reset Date for the Notes is semiannually, interest will be payable on the third Wednesday of each of two months specified on the face hereof of each year, (4) if the Interest Reset Date for the Notes is annually, interest will be payable on the third Wednesday of the month specified on the face hereof of each year. In each of these cases, interest will also be payable on the Maturity Date.

If specified on the face hereof, the Notes may have either or both of a Maximum Interest Rate or Minimum Interest Rate. If a Maximum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever exceed such Maximum Interest Rate and in the event that the interest rate on any Interest Reset Date would exceed such Maximum Interest Rate (as if no Maximum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Maximum Interest Rate. If a Minimum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever be less than such Minimum Interest Rate and in the event that the interest rate on any Interest Reset Date would be less than such Minimum Interest Rate (as if no Minimum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Minimum Interest Rate. Notwithstanding anything to the contrary contained herein, if the Notes are designated on the face hereof as Floating Rate Notes, the interest rate on Notes shall not exceed the maximum interest rate permitted by applicable law.

All determinations of interest by the Calculation Agent designated on the face hereof will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of the Notes and neither the Indenture Trustee nor the Calculation Agent shall have any liability to the Holder of the Notes in respect of any determination, calculation, quote or rate made or provided by the Calculation Agent. Upon request of the Holder of the Notes, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to the Notes. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the interest rate for any interest accrual period or to calculate the interest amount or any other requirements, the Trust will appoint a successor to act as such in its place. The Calculation Agent may not resign its duties until a successor has been appointed and such successor has accepted its appointment.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date, the rate of interest on the Notes on and after the first Interest Reset Date shall be the interest rate determined in accordance with the provisions of the heading below which has been designated as the Interest Rate Basis on the face hereof (the "Interest Rate Basis"), the base rate, plus or minus the Spread, if any, specified on the face hereof and/or multiplied by the Spread Multiplier, if any, specified on the face hereof.

- (A) CD RATE NOTES. If the Interest Rate Basis is the CD Rate, the Notes shall be deemed to be "CD Rate Notes." CD Rate Notes will bear interest at the interest

rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CD Rate on each Interest Determination Date. The Interest Determination Date is the second Business Day immediately preceding the related Interest Reset Date. "CD Rate" means the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or, if 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 the particular Index Maturity as published in the H.15 Daily Update (as defined below) or other recognized electronic source used for the purpose of displaying the applicable rate under the heading "CDs (secondary market)." If such rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate will be 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, if the dealers so selected by the Calculation Agent are not quoting as described in the preceding sentence, the CD Rate in effect on the particular Interest Determination Date. "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; and "H.15 Daily Update" means the daily update of H.15(519), available through the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.

- (B) CMT RATE NOTES. If the Interest Basis is the CMT Rate, the Notes shall be deemed to be "CMT Rate Notes." CMT Rate Notes will bear interest at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CMT Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is the second Business Day prior to the Interest Reset Date. "CMT Rate" means (1) if CMT Moneyline Telerate Page 7051 is specified on the face hereof: (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 one 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 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 on the face hereof (a) the percentage equal to the one-week or one-month, as specified on the face hereof, average yield for United States

Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 on the face hereof, 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 on the face hereof, 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 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 one 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 on the face hereof 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.

- (C) COMMERCIAL PAPER RATE NOTES. If the Interest Rate Basis is the Commercial Paper Rate, the Notes shall be deemed to be "Commercial Paper Rate Notes." Commercial Paper Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Commercial Paper Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "Commercial Paper Rate" means the Money Market Yield (calculated as described below) on the Interest Determination Date of the rate for commercial paper having the applicable Index Maturity as such rate is published in H.15(519) under the heading "Commercial Paper -- Nonfinancial." If such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial paper having the particular Index Maturity as published on H.15 Daily Update or such other recognized electronic source used for the purposes of displaying the applicable rate, under the caption "Commercial Paper -- Nonfinancial", or if such rate is not published by 3:00 P.M., New York City time, on the Calculation Date, then the Commercial Paper Rate as calculated by the Calculation Agent shall be 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; PROVIDED, HOWEVER, that if the dealers selected by the Calculation Agent are not quoting offered rates as mentioned above, the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" shall be 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 per annum rate for the 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 Period.

- (D) ELEVENTH DISTRICT COST OF FUNDS RATE NOTES. If the Interest Basis is the Eleventh District Costs of Funds Rate, the Notes shall be deemed to be "Eleventh District Cost of Funds Rate Notes." Eleventh District Cost of Funds Notes will bear interest at the interest rate calculated with reference to the Eleventh District Cost of Funds Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Eleventh District Cost of Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is 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 Eleventh District Index. The "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 "Eleventh District 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 Eleventh District 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.

(E) FEDERAL FUNDS RATE NOTES. If the Interest Rate Basis is the Federal Funds Rate, the Notes shall be deemed to be "Federal Funds Rate Notes." Federal Funds Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Federal Funds Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 (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.

(F) LIBOR NOTES. If the Interest Rate Basis is LIBOR (as defined below), the Notes shall be deemed to be "LIBOR Notes." LIBOR Notes will bear interest for each Interest Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any. On each applicable Interest Determination Date the Calculation Agent will determine LIBOR. The applicable Interest Determination Date is the second London Banking Day preceding the related Interest Reset Date.

LIBOR means: (1) if "LIBOR Moneyline Telerate" is specified on the face hereof or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the rate for deposits in the LIBOR Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the related Interest Reset Date, that appears on the LIBOR Page (as defined below) as of 11:00 A.M., London time, on the particular Interest Determination Date, or (2) if "LIBOR Reuters" is specified on the face hereof, 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 (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 on the face hereof as to which LIBOR shall be calculated or, if no currency is specified on the face hereof, United States dollars.

"LIBOR Page" means either: if "LIBOR Reuters" is specified on the face hereof as the method for calculating LIBOR, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (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 on the face hereof or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service) on the page specified on the face hereof (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.

"London Banking Day" means a day on which commercial banks are open for business (including dealings in the LIBOR Currency) in London.

- (G) EURIBOR RATE NOTES. If the Interest Rate Basis is EURIBOR (as defined below), the Notes shall be deemed to be "EURIBOR Notes." EURIBOR Notes will bear interest at the rates (calculated with references to the European inter-bank offered rate for deposits in Euro, or "EURIBOR", and the Spread and/or Spread Multiplier, if any) specified on the face hereof.

"EURIBOR" means, with respect to any Interest Determination Date relating to EURIBOR Notes or Notes that bear interest at floating rates for which the interest rate is determined with reference to EURIBOR (a "EURIBOR Interest Determination Date"), the rate for deposits in Euros as sponsored, calculated and published jointly by the European Banking Federation and ACI -- The Financial Market Association, or any company

established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, as the rate appears on Moneyline Telerate, Inc., or any successor service, on page 248 (or any other page as may replace that specified page on the service) ("Moneyline Telerate Page 248") as of 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 248, or is not so published by 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date, such rate will be calculated by the Calculation Agent and will be the arithmetic mean of at least two quotations obtained by the Calculation Agent after requesting the principal Euro-zone (as defined below) offices of four major banks in the Euro-zone interbank market to provide the Calculation Agent with its offered quotation for deposits in Euros for the period of the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, to prime banks in the Euro-zone interbank market at approximately 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euro in the market at that time. If fewer than two such quotations are so provided, the rate on the applicable EURIBOR Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date by four major banks in the Euro-zone for loans in Euro to leading European banks, having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euros in the market at that time. If the banks so selected by the Calculation Agent are not quoting as mentioned above, EURIBOR will be EURIBOR in effect on the applicable EURIBOR Interest Determination Date.

"Euro-zone" means the region comprised of 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.

- (H) PRIME RATE NOTES. If the Interest Rate Basis is the Prime Rate, the Notes shall be deemed to be "Prime Rate Notes." Prime Rate Notes will bear interest for each Interest Reset Date calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any, subject to the Minimum Interest Rate and/or Maximum Interest Rate, if any, specified on the face hereof. The Calculation Agent will determine the Prime Rate for each Interest Reset Date on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 on 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.

- (I) TREASURY RATE NOTES. If the Interest Rate Basis is the Treasury Rate, the Notes shall be deemed to be "Treasury Rate Notes." Treasury Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Treasury Rate on each Treasury Rate Determination Date (as defined below). "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 on the face hereof 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 on the face hereof, 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 Period.

The "Treasury Rate Determination Date" for each Interest Reset Date means the day in the week in which the related Interest Reset Date falls on which day Treasury Bills 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.

- (J) REGULAR FLOATING RATE NOTES. Unless the Notes are designated as Floating Rate/Fixed Rate Notes or 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 Notes that bear interest at floating rates will

be 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. Commencing on the first Interest Reset Date, as specified on the face hereof, the rate at which interest on 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.

- (K) FLOATING RATE/FIXED RATE NOTES. If the Notes are designated as "Floating Rate/Fixed Rate Notes" on the face hereof, such Notes that bear interest at floating rates 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 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 on the face hereof; and the interest rate in effect commencing on the Fixed Rate Commencement Date will be the Fixed Interest Rate, if specified on the face hereof, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

- (L) INVERSE FLOATING RATE NOTES. If the Notes are designated as "Inverse Floating Rate Notes" on the face hereof, the Inverse Floating Rate shall be equal to 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 Inverse Floating Rate Notes will not be less than zero. Commencing on the first Interest Reset Date, the rate at which interest on 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.

SECTION 4. OPTIONAL REDEMPTION. Except in the case of Discount Notes, if any Initial Redemption Date is specified on the face hereof, the Trust may redeem the Notes prior to the Stated Maturity Date at its option on any Business Day on or after the 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 on the face hereof at the applicable Redemption Price (as defined below) together with any unpaid interest accrued on the Notes, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date. Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holders of the Notes to be redeemed not more than 60 nor less than 30 days prior to the Redemption Date. "Redemption Price" means an amount equal to the Initial Redemption Percentage specified on the face hereof (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount of Notes represented by this Note

Certificate to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by an 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.

SECTION 5. SINKING FUNDS AND AMORTIZING NOTES. Unless otherwise specified on the face hereof or unless the Notes are Amortizing Notes, the Notes will not be subject to, or entitled to the benefit of, any sinking fund. If it is specified on the face hereof that the Notes are Amortizing Notes, the Trust will make payments combining principal and interest on the dates and in the amounts set forth in the table appearing in SCHEDULE I, attached to this Note Certificate. If the Notes are Amortizing Notes, payments made on the Notes will be applied first to interest due and payable on each such payment date and then to the reduction of the unpaid principal amount.

SECTION 6. OPTIONAL REPAYMENT. If so specified on the face hereof, the Holder or Holders of the Notes may require the Trust to repay the Notes on the Optional Repayment Date(s) specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or any other integral multiple of an authorized denomination specified on the face hereof (PROVIDED that any remaining principal amount of the Notes shall be at least U.S.\$1,000 or any other integral multiple of an authorized denomination specified on the face hereof), at a repayment price equal to 100% of the unpaid principal amount of the Notes to be repaid, together with unpaid interest accrued thereon to the Repayment Date (as defined below) and any other amounts then due and owing. For the Notes to be so repaid, the Indenture Trustee must receive at its Corporate Trust Office not more than 60 nor less than 30 calendar days prior to the applicable Repayment Date, a properly completed Option to Elect Repayment form, which is attached hereto as Annex A, forwarded by the Holder or Holders of the Notes. Exercise of such repayment option shall be irrevocable. As used herein, the term "Repayment Date" shall mean the date fixed for repayment in accordance with the repayment provisions specified above.

SECTION 7. TAX REDEMPTION. If (i) the Trust is required at any time to pay Additional Amounts (as defined below) or if the Trust is obligated to withhold or deduct any United States taxes with respect to any payment under the Notes, as set forth in the Note Certificates, or if there is a material probability that the Trust 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's or the Trusts'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 the terms of such Funding Agreement, then the Trust will redeem the Funding Note 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.

Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holder of the Notes to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; PROVIDED, that no such notice of redemption may be given earlier than 90 days



prior to the earliest day on which the Trust would become obligated to pay the applicable Additional Amounts were a payment in respect of the Notes then due. Failure to give such notice to the Holder of any portion of the Notes 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 Notes.

SECTION 8. MODIFICATIONS AND AMENDMENTS. The Indenture contains provisions permitting the Trust and the Indenture Trustee (1) without the consent of any Holder, to execute Supplemental Indentures for limited purposes and take other actions set forth in the Indenture, and (2) with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of Notes at the time outstanding, evidenced as provided in the Indenture, 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 subject to specified limitations.

SECTION 9. OBLIGATIONS UNCONDITIONAL. No reference herein to the Indenture or the Standard Indenture Terms and no provision of the Notes 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, the Notes at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

SECTION 10. COLLATERAL. Pursuant to the Indenture, the Trust will pledge and collaterally assign the relevant Funding Agreement(s) issued by the Funding Agreement Provider in connection with the issuance of the Notes (each, a "Funding Agreement") to the Indenture Trustee. The Notes will be secured by the Security Interest in the Collateral in

favor of the Indenture Trustee for the benefit of the Holders of the Notes and each other persons for whose benefit the Indenture Trustee is or will be holding the Collateral (the "Secured Parties").

SECTION 11. SECURITY; LIMITED RECOURSE. The Notes are solely the obligations of the Trust, and will not be guaranteed by any person, including but not limited to the Funding Agreement Provider, Allstate Life Global Funding, any Agent, the Trust Beneficial Owner, the Delaware Trustee, the Indenture Trustee or any of their affiliates. The Trust's obligations under the Notes will be secured by all of the Trust's rights and title in one or more Funding Agreement(s) issued by the Funding Agreement Provider and other rights and assets included in the applicable Collateral. The Holder or Holders of the Notes have no direct contractual rights against Allstate Life under the Funding Agreement(s). Under the terms of each Funding Agreement, recourse rights to the Funding Agreement Provider will belong to the Trust, its successors and permitted assignees. The Trust has pledged and collaterally assigned each Funding Agreement to the Indenture Trustee and has granted the Security Interest in the Collateral to the Indenture Trustee for the benefit of the Secured Parties. Recourse to the Funding Agreement Provider under each Funding Agreement will be enforceable only by the Indenture Trustee on behalf of the Secured Parties.

SECTION 12. EVENTS OF DEFAULT. If one or more Events of Default, as defined in the Indenture, shall have occurred and be continuing with respect to the Notes, then, and in every such event, unless the principal of the Notes shall have already become due and payable, the entire principal and premium (if any) of the Notes, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, may be declared to be, and upon any such declaration the same shall become immediately, due and payable; PROVIDED that, with respect to certain Events of Default, without any notice to the Trust or any other act by the Indenture Trustee or any Holder of the Notes, the entire principal and premium (if any) of the Notes, 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. If the Notes are Discount Notes, the amount of principal of the Notes that becomes due and payable upon such acceleration shall be equal to the amount calculated as set forth in Section 3 hereof.

SECTION 13. WITHHOLDING; ADDITIONAL AMOUNTS; TAX EVENT. 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 payments on the Notes unless the withholding or deduction is required by law. Unless otherwise specified on the face hereof, the Trust will not pay any additional amounts ("Additional Amounts") to Holders of the 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. If the Trust is required to pay Additional Amounts pursuant to Section [3.1(c)] of the Standard Indenture Terms and unless otherwise specified herein, the Trust shall give a notice of redemption to each Holder of the Notes to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; provided that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the Trust would become obligated to pay the applicable Additional Amounts were a payment in respect of the 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 Note or any portion thereof. "Tax Event" means that the Trust shall have become required at any time to pay Additional Amounts or if the Trust is 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 the Trust 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 the Trust's receipt of a written adjustment from the Internal Revenue Service in connection with an audit).

SECTION 14. LISTING. Unless otherwise specified on the face hereof the Notes will not be listed on any securities exchange.

SECTION 15. NO RECOURSE. Notwithstanding anything to the contrary contained in the Indenture, or the Note Certificates or Supplemental Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Indenture Trustee or the Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "NON-RECOURSE 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, 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 Collateral. Neither the Holders nor the Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties 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 Collateral.

SECTION 16. GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

Annex A

OPTION TO ELECT REPAYMENT

The undersigned Holder of the Notes hereby irrevocably elects to have the Trust repay the principal amount of the Notes or portion hereof at the optional repayment price in accordance with the terms of the Notes.

Date:

----- Signature  
Sign exactly as name appears on the  
front of this Note Certificate  
[SIGNATURE GUARANTEED - required  
only if Notes are to be issued and





FORM OF GLOBAL SECURITY FOR  
ALLSTATE LIFE(SM) CORENOTES(SM) PROGRAM

[FACE OF GLOBAL SECURITY]

UNLESS THIS NOTE 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 NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS 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 CERTIFICATE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE STANDARD INDENTURE TERMS HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NOMINEE OF DTC, OR ANY SUCCESSOR DEPOSITARY ("DEPOSITARY"), AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY. THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR NOTES REGISTERED, AND NO TRANSFER OF THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE STANDARD INDENTURE TERMS. EVERY NOTE CERTIFICATE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE CERTIFICATE WILL BE A GLOBAL SECURITY SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

CUSIP No.:

ALLSTATE LIFE GLOBAL FUNDING TRUST [ ] - [ ]

ALLSTATE LIFE(SM) CORENOTES(SM)

Title of Notes:	Stated Maturity Date:
Principal Amount: \$ _____	Settlement Date and Time:
Original Issue Date:	Securities Exchange Listing: / / Yes / / No. If yes,
Issue Price:	indicate name(s) of Securities Exchange(s):
	_____.

"Allstate Life(SM)" is a registered servicemark of Allstate Insurance Company.  
"CoreNotes(SM)" is a registered servicemark of Merrill Lynch & Co., Inc.

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Interest Rate or Formula:	
Fixed Rate Note: / / Yes / / No. If yes,	Floating Rate Note: / / Yes / / No. If yes,
Interest Rate:	Regular Floating Rate Notes: / /
Interest Payment Dates:	Floating Rate/Fixed Rate Notes: / /
Day Count Convention:	Interest Rate:
Additional/Other Terms:	Interest Rate Basis(es):
Discount Note: / / Yes / / No. If yes,	LIBOR / /
Total Amount of Discount:	/ / LIBOR Reuters Page:
Initial Accrual Period of Discount:	/ / LIBOR Telerate Page:
Interest Payment Dates:	LIBOR Currency:
Additional/Other Terms:	Constant Maturity Treasury Rate / /
Redemption Provisions: / / Yes / / No. If yes,	Designated CMT Telerate Page:
Initial Redemption Date:	If Telerate Page 7052:
Initial Redemption Percentage:	/ / Weekly Average
Annual Redemption Percentage	/ / Monthly Average
Reduction, if any:	Designated CMT Maturity Index:
Additional/Other Terms:	CD Rate / /
Survivor's Option: / / Yes / / No.	Commercial Paper Rate / /
Regular Interest Record Date(s):	Federal Funds Rate / /
Sinking Fund:	Prime Rate / /
Calculation Agent:	Treasury Rate / /
Depository:	Other / / See attached.
Authorized Denominations:	Index Maturity:
Collateral: Allstate Life Insurance Company	Spread and/or Spread Multiplier, if any:
Funding Agreement No(s). / /, all	Initial Interest Rate, if any:
proceeds of such Funding	Initial Interest Reset Date:
Agreement(s), all books and records	Interest Reset Dates:
pertaining to such Funding	Interest Determination Date(s):
Agreement(s) and all rights of the	Interest Payment Dates:
Trust pertaining to the foregoing.	Maximum Interest Rate, if any:
Additional/Other Terms:	Minimum Interest Rate, if any:

Fixed Rate Commencement Date, if any:  
Fixed Interest Rate, if any:  
Day Count Convention:  
Additional/Other Terms:

This Note Certificate is a Global Security in respect of a duly authorized issue of Notes (the "Notes") of the Allstate Life Global Funding Trust designated above, a statutory trust organized under the laws of the State of Delaware (the "Trust"). The Notes are issued under the Indenture, dated as of the date hereof (as amended or supplemented from time to time, the "Indenture") between the Trust and J.P. Morgan Trust Company, National Association, as indenture trustee (including any successor, the "Indenture Trustee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed in the Standard Indenture Terms, dated as of [ ] (as amended or supplemented from time to time, the "Standard Indenture Terms").

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The Trust, for value received, hereby promises to pay to Cede & Co. or its registered assigns on the Stated Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to redemption or repayment provisions, in each case, if provided for above) the principal amount specified above and, if so specified above, to pay interest from time to time on the Notes represented by this Note Certificate from the Original Issue Date specified above (the "Original Issue Date") or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the rate per annum determined in accordance with the provisions on the reverse hereof and as specified above, until the principal of the Notes represented by this Note Certificate is paid or made available for payment and to pay such other amounts due and owing with respect to the Notes represented by this Note Certificate.

On any exchange or purchase and cancellation of any of the Notes represented by this Note Certificate, details of such exchange or purchase and cancellation shall be entered in the records of the Indenture Trustee. Upon any such exchange or purchase and cancellation, the principal amount of the Notes represented by this Note Certificate shall be charged by the principal amount so exchanged or purchased and cancelled, as provided in the Standard Indenture Terms.

Unless otherwise set forth above, if the Notes are subject to an Annual Redemption Percentage Reduction as specified above, the Redemption Price of the Notes represented by this Note Certificate shall initially be the Initial Redemption Percentage of the principal amount of the Notes represented by this Note Certificate on the Initial Redemption Date and shall decline at each anniversary of the Initial Redemption Date (each such date, a "Redemption Date") by the Annual Redemption Percentage Reduction of such principal amount until the Redemption Price is 100% of such principal amount.

The Notes will mature on the Stated Maturity Date, unless their principal (or, any installment of their 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 the option of the Trust, notice of the Holder's option to elect repayment or otherwise (the Stated Maturity Date or any date prior to the Stated Maturity Date on which the Notes become due and payable, as the case may be, are referred to as the "Maturity Date" with respect to principal of the Notes repayable on such date).

Unless otherwise provided above and except as provided in the following paragraph, the Trust will pay interest on each Interest Payment Date specified above, commencing with the first Interest Payment Date next succeeding the Original Issue Date, and on the Maturity Date; PROVIDED that any payment of principal, premium, if any, interest or other amounts to be made on any Interest Payment Date or on a Maturity Date that is not a Business Day shall be made on the next succeeding Business Day, PROVIDED, HOWEVER, with respect to an Interest Payment Date other than the Maturity Date, if the Notes are LIBOR Notes (as defined in Section 3 on the reverse hereof) and that next succeeding Business Day falls in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

Unless otherwise specified above, the interest payable on each Interest Payment Date or on the Maturity Date will be the 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

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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").

Reference is hereby made to the further provisions of the Notes set forth on the reverse hereof and, if so specified on the face hereof, in an Addendum



of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity of the Notes occurs for Discount Notes, the 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 Discount Notes (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to Discount Notes and an assumption that the maturity of such Discount Notes will not be accelerated. If the period from the date of issue to the first Interest Payment Date for Discount Notes (the "Initial Period") is shorter than the compounding period for such 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. A "Discount Note" is any Note that has 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 Date.

FLOATING RATE NOTES. If the Notes are specified on the face hereof as "Floating Rate Notes," interest on the Notes shall accrue and be payable in accordance with this Section 3. A

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Floating Rate Note may be a CD Rate Note, CMT Rate Note, Commercial Paper Rate Note, Federal Funds Rate Note, LIBOR Note, Prime Rate Note, Treasury Rate Note, or as otherwise set forth on the face hereof. If the Notes are designated on the face hereof as Floating Rate Notes, the face hereof will specify whether the Notes are Regular Floating Rate Notes or Floating Rate/Fixed Rate Notes. For the period from the date of issue to, but not including, the first Interest Reset Date set forth on the face hereof, the interest rate hereon shall be the Initial Interest Rate specified on the face hereof. Thereafter, the interest rate hereon will be reset as of and be effective as of each Interest Reset Date.

- (A) If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day; PROVIDED, HOWEVER, that if the Notes are LIBOR Notes and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the Business Day immediately preceding such Interest Reset Date.
- (B) Unless specified otherwise on the face hereof, Interest Reset Dates are as follows: (1) if the Notes reset daily, each Business Day, (2) if the Notes reset weekly, other than Treasury Rate Notes, the Wednesday of each week, (3) if the Notes are Treasury Rate Notes that reset weekly, and except as provided below under "Treasury Rate Notes," the Tuesday of each week, (4) if the Notes reset monthly, the third Wednesday of each month, (5) if the Notes reset quarterly, the third Wednesday of March, June, September and December of each year, (6) if the Notes reset semiannually, the third Wednesday of each of the two months specified on the face hereof and (7) if the Notes reset annually, the third Wednesday of the month specified each year; PROVIDED, HOWEVER, that with respect to Floating Rate/ Fixed Rate Notes, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date specified on the face hereof (the "Fixed Rate Commencement Date").
- (C) 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 Floating Rate Notes as to which the CD Rate, the Commercial Paper Rate, the Federal Funds Rate, LIBOR or the Prime Rate is an applicable Interest Rate Basis (as defined below), or by the actual number of days in the year, in the case of Floating Rate Notes as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for 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 on the face hereof applied. The interest rate shall be set forth on the face hereof. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. Unless otherwise specified on the face hereof, the interest rate that is effective on the applicable Interest Reset Date will be determined on the applicable Interest Determination Date and calculated on the applicable Calculation Date (as defined

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below). "Calculation Date" means the date by which the Calculation



Agent designated on the face hereof, is to calculate the interest rate which will be the earlier of (1) 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 (2) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

- (D) Unless otherwise specified on the face hereof, 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. All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded to the nearest cent.

Unless otherwise specified on the face hereof and except as provided below, interest will be payable as follows: (1) if the Interest Reset Date for the Notes is daily, weekly or monthly, interest will be payable on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified on the face hereof, (2) if the Interest Reset Date for the Notes is quarterly, interest will be payable on the third Wednesday of March, June, September, and December of each year, (3) if the Interest Reset Date for the Notes is semiannually, interest will be payable on the third Wednesday of each of two months specified on the face hereof of each year, (4) if the Interest Reset Date for the Notes is annually, interest will be payable on the third Wednesday of the month specified on the face hereof of each year. In each of these cases, interest will also be payable on the Maturity Date.

If specified on the face hereof, the Notes may have either or both of a Maximum Interest Rate or Minimum Interest Rate. If a Maximum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever exceed such Maximum Interest Rate and in the event that the interest rate on any Interest Reset Date would exceed such Maximum Interest Rate (as if no Maximum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Maximum Interest Rate. If a Minimum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever be less than such Minimum Interest Rate and in the event that the interest rate on any Interest Reset Date would be less than such Minimum Interest Rate (as if no Minimum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Minimum Interest Rate. Notwithstanding anything to the contrary contained herein, if the Notes are designated on the face hereof as Floating Rate Notes, the interest rate on Notes shall not exceed the maximum interest rate permitted by applicable law.

All determinations of interest by the Calculation Agent designated on the face hereof will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of the Notes and neither the Indenture Trustee nor the Calculation Agent shall have any liability to the Holder of the Notes in respect of any determination, calculation, quote or rate made or provided by the Calculation Agent. Upon request of the Holder of the Notes, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to the Notes. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the interest rate for any interest accrual period or to calculate the interest amount or any other

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requirements, the Trust will appoint a successor to act as such in its place. The Calculation Agent may not resign its duties until a successor has been appointed and such successor has accepted its appointment.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date, the rate of interest on the Notes on and after the first Interest Reset Date shall be the interest rate determined in accordance with the provisions of the heading below which has been designated as the Interest Rate Basis on the face hereof (the "Interest Rate Basis"), the base rate, plus or minus the Spread, if any, specified on the face hereof and/or multiplied by the Spread Multiplier, if any, specified on the face hereof.

- (A) CD RATE NOTES. If the Interest Rate Basis is the CD Rate, the Notes shall be deemed to be "CD Rate Notes." CD Rate Notes will bear interest at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CD Rate on each Interest Determination Date. The Interest Determination Date is the second Business Day immediately preceding the related Interest Reset Date. "CD Rate" means the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or, if 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 the particular Index Maturity as published in the H.15 Daily Update (as defined below) or other recognized electronic source used for the purpose of displaying the applicable rate under the heading "CDs (secondary market)." If such rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate will be 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, if the dealers so selected by the Calculation Agent are not quoting as described in the preceding sentence, the CD Rate in effect on the particular Interest Determination Date. "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; and "H.15 Daily Update" means the daily update of H.15(519), available through the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.

(B) CMT RATE NOTES. If the Interest Basis is the CMT Rate, the Notes shall be

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deemed to be "CMT Rate Notes." CMT Rate Notes will bear interest at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CMT Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is the second Business Day prior to the Interest Reset Date. "CMT Rate" means (1) if CMT Moneyline Telerate Page 7051 is specified on the face hereof: (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 one 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

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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 on the face hereof (a) the percentage equal to the one-week or one-month, as specified on the face hereof, average yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 on the face hereof, 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 on the face hereof, 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 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 one 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

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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 on the face hereof 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.

(C) COMMERCIAL PAPER RATE NOTES. If the Interest Rate Basis is the Commercial Paper Rate, the Notes shall be deemed to be "Commercial Paper Rate Notes." Commercial Paper Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Commercial Paper Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "Commercial Paper Rate" means the Money Market Yield (calculated as described below) on the Interest Determination Date of the rate for commercial paper having the applicable Index Maturity as such rate is published in H.15(519) under the heading "Commercial Paper -- Nonfinancial." If such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial paper having the particular Index Maturity as published on H.15 Daily Update or such other recognized electronic source used for the purposes of displaying the applicable rate, under the caption "Commercial Paper -- Nonfinancial", or if such rate is not published by 3:00 P.M., New York City time, on the Calculation Date, then the Commercial Paper Rate as calculated by the Calculation Agent shall be 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; PROVIDED, HOWEVER, that if the dealers selected by the Calculation Agent are not quoting offered rates as mentioned above, the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" shall be 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 per annum rate for the 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 Period.

(D) FEDERAL FUNDS RATE NOTES. If the Interest Rate Basis is the Federal Funds Rate, the Notes shall be deemed to be "Federal Funds Rate Notes." Federal Funds Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Federal Funds Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 (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.

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- (E) LIBOR NOTES. If the Interest Rate Basis is LIBOR (as defined below), the Notes shall be deemed to be "LIBOR Notes." LIBOR Notes will bear interest for each Interest Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any. On each applicable Interest Determination Date the Calculation Agent will determine LIBOR. The applicable Interest Determination Date is the second London Banking Day preceding the related Interest Reset Date.

LIBOR means: (1) if "LIBOR Moneyline Telerate" is specified on the face hereof or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the rate for deposits in the LIBOR Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the related Interest Reset Date, that appears on the LIBOR Page (as defined below) as of 11:00 A.M., London time, on the particular Interest Determination Date, or (2) if "LIBOR Reuters" is specified on the face hereof, 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 (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.

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"LIBOR Currency" means United States dollars.

"LIBOR Page" means either: if "LIBOR Reuters" is specified on the face hereof as the method for calculating LIBOR, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (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 on the face hereof or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service) on the page specified on the face hereof (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.

(F) PRIME RATE NOTES. If the Interest Rate Basis is the Prime Rate, the Notes shall be deemed to be "Prime Rate Notes." Prime Rate Notes will bear interest for each Interest Reset Date calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any, subject to the Minimum Interest Rate and/or Maximum Interest Rate, if any, specified on the face hereof. The Calculation Agent will determine the Prime Rate for each Interest Reset Date on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 on 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

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that page on that service) for the purpose of displaying prime rates or base lending rates of major United States banks.

(G) TREASURY RATE NOTES. If the Interest Rate Basis is the Treasury Rate, the Notes shall be deemed to be "Treasury Rate Notes." Treasury Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Treasury Rate on each Treasury Rate Determination Date (as defined below). "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 on the face hereof 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 on the face hereof, 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)

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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 Period.

The "Treasury Rate Determination Date" for each Interest Reset Date means the day in the week in which the related Interest Reset Date falls on which day Treasury Bills 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.

- (H) REGULAR FLOATING RATE NOTES. Unless the Notes are designated as Floating Rate/Fixed 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 Notes that bear interest at floating rates will be 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. Commencing on the first Interest Reset Date, as specified on the face hereof, the rate at which interest on 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.
- (I) FLOATING RATE/FIXED RATE NOTES. If the Notes are designated as "Floating Rate/Fixed Rate Notes" on the face hereof, such Notes that bear interest at floating rates 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 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 on the face hereof; and the interest rate in effect commencing on the Fixed Rate Commencement Date will be the Fixed Interest Rate, if specified on the face hereof, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

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SECTION 4. OPTIONAL REDEMPTION. Except in the case of Discount Notes, if any Initial Redemption Date is specified on the face hereof, the Trust may redeem the Notes prior to the Stated Maturity Date at its option on any Business Day on or after the 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 on the face hereof at the applicable Redemption Price (as defined below) together with any unpaid interest accrued on the Notes, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date. Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holders of the Notes to be redeemed not more than 60 nor less than 30 days prior to the Redemption Date. "Redemption Price" means an amount equal to the Initial Redemption Percentage specified on the face

hereof (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount of Notes represented by this Note Certificate to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by an 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.

#### SECTION 5. REPAYMENT PROVISIONS.

If the face of this Note Certificate specifies that "Survivor's Option" (as defined below) applies, the person (the "Authorized Representative") who has legal authority to act on behalf of the estate of the deceased owner of a beneficial interest in the Notes represented hereby shall have the option to elect repayment of the Notes in whole or in part in increments of U.S.\$1,000 (provided that any remaining principal amount of the Notes shall be at least U.S.\$1,000), following the death of such beneficial owner (a "Survivor's Option"). No Survivor's Option may be exercised unless such beneficial interest was held by the beneficial owner for a period of at least six months prior to the death of the beneficial owner.

Pursuant to the valid exercise of the Survivor's Option, if applicable, the Trust shall repay the Notes represented hereby (or portion thereof) at a price equal to 100% of the unpaid principal amount of the Notes to be repaid, together with unpaid interest accrued thereon to, but excluding, the Repayment Date, subject to the limitations in the next succeeding sentence. Allstate Life Insurance Company ("Allstate Life") may, in its sole discretion, limit the aggregate principal amount of (i) all Funding Agreements securing all outstanding series of notes issued under the Allstate Life(SM) CoreNotes(SM) program as to which exercises of any put option by any issuing trust shall be accepted by Allstate Life in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the aggregate principal amount of all Funding Agreements securing all outstanding series of notes issued under the Allstate Life(SM) CoreNotes(SM) program as of the end of the most recent calendar year or such other greater amount as determined in accordance with the applicable Funding Agreement(s) and set forth on the face hereof; (ii) the Funding Agreement(s) securing the Notes as to which exercises of any put option by the Trust attributable to Notes as to which the Survivor's Option has been exercised by the Authorized Representative of any individual deceased beneficial owner to \$250,000 in any calendar year or such other greater amount as determined in accordance with the applicable Funding Agreement(s) and set forth on the face hereof; and (iii) the Funding Agreement(s) securing the Notes as to which

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exercises of any put option by the Trust shall be accepted in any calendar year to an amount as set forth in the applicable Funding Agreement(s) and on the face hereof.

In any such event, the Trust shall similarly be required to limit the aggregate principal amount of Notes as to which exercises of the Survivor's Option shall be accepted by it.

Each election to exercise the Survivor's Option shall be effected in the order received by the Administrator. Notes that are not repaid in any calendar year due to the application of the limits described above will be treated as though they had been tendered on the first day of the following calendar year in the order in which they were originally tendered. Subject to the limitations described above, Notes accepted for repayment will be repaid on the first interest payment date that occurs 20 or more calendar days after the date of the acceptance unless that interest payment date is not a Business Day, in which case the repayment date will be the next succeeding Business Day.

To exercise the Survivor's Option, the Authorized Representative must provide to the DTC participant (the "Participant") through which the relevant beneficial interest is owned (i) a written instruction to notify the Depository of the Authorized Representative's desire to exercise the Survivor's Option, (ii) appropriate evidence (A) that the person has authority to act on behalf of the deceased owner, (B) of the death of a owner of beneficial interest in the Notes represented hereby, (C) that the deceased was the beneficial owner of the Notes at the time of death and (D) that the deceased was the owner of a beneficial interest in the Notes represented hereby at least six months prior to the date of death of such beneficial owner, (iii) if beneficial interest in the Notes represented hereby is held by a nominee of the deceased owner, a certificate from the nominee attesting to the deceased owner's ownership of a beneficial interest in the Notes represented hereby, (iv) a written request for repayment, substantially in the form of the attached Election Repayment Form", signed by the Authorized Representative for the deceased owner with signature guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States, (v) if applicable, a properly executed assignment or endorsement, (vi) tax waivers and any other instruments or documents reasonably required to establish the validity of the deceased's beneficial ownership in the Notes and the Authorized



Representative's entitlement to payment and (vii) any additional information reasonably required to document ownership or authority to exercise the Survivor's Option and to cause the repayment of the Notes (or portion thereof). Such Participant shall provide to the Indenture Trustee a properly completed Repayment Election Form, which is attached hereto as Annex A, to exercise the Survivor's Option, together with evidence satisfactory to the Indenture Trustee from the Participant stating that it represents the deceased owner of the beneficial interest in the Notes represented hereby.

Subject to Allstate Life's right hereunder to limit the aggregate principal amount of Funding Agreements securing notes as to which exercises of any put option by the issuing trusts attributable to notes as to which exercises of the Survivor's Option shall be accepted in any one calendar year, all questions as to the eligibility or validity of any exercise of the Survivor's Option will be determined by the Administrator, in its sole discretion. The Administrator's determination shall be final and binding.

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The death of a person owning a Note or beneficial interest therein in joint tenancy or tenancy by the entirety with another person or persons shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note, and the entire principal amount of such Note or beneficial interest therein shall be eligible for repayment pursuant to the Survivor's Option. The death of a person owning a Note or beneficial interest therein by tenancy in common shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note only to the extent of the interest of the deceased Holder or beneficial owner in such Note unless such Note or beneficial interest therein is held by husband and wife as tenants in common, in which case, the death of either spouse shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note, and the entire principal amount of such Note or beneficial interest therein shall be eligible for repayment pursuant to the Survivor's Option.

The death of a person who, during his or her lifetime, was entitled to substantially all of the interests of beneficial ownership of a Note shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note if such interests can be established to the satisfaction of the Administrator.

In the event of repayment of the Notes in part only, a new Note Certificate of like tenor in a principal amount equal to the unrepaid portion of principal of Notes represented by this Note Certificate and otherwise having the same terms and provisions as the Notes shall be issued by the Trust in the name of the Holder of this Note Certificate upon the presentation and surrender of this Note Certificate.

SECTION 6. SINKING FUND. Unless otherwise specified on the face hereof, the Notes will not be subject to, or entitled to the benefit of, any sinking fund.

SECTION 7. TAX REDEMPTION. If (i) the Trust is required at any time to pay Additional Amounts (as defined below) or if the Trust is obligated to withhold or deduct any United States taxes with respect to any payment under the Notes, as set forth in the Note Certificates, or if there is a material probability that the Trust 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's or the Trusts'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 the terms of such Funding Agreement, then the Trust will redeem the Funding Note 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.

Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holder of the Notes to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; PROVIDED, that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the Trust would become obligated to pay the applicable Additional Amounts were a payment in respect of the Notes then due. Failure to give such notice to the Holder of any portion of the Notes 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 Notes.

SECTION 8. REGISTRATION, TRANSFER AND EXCHANGE. As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of the Notes represented by this Note Certificate is registrable in the records of J.P. Morgan Trust Company, National Association, in its capacity as registrar. Upon surrender of this Note Certificate for registration of transfer at the office or agency of the Trust in any place where the principal of and interest on the Notes are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trust and the registrar duly executed by, the Holder or by his or her attorney duly authorized in writing, and thereupon one or more new Note Certificates having the same terms and provisions, in authorized denominations and for the same aggregate principal amount, will be issued by the Trust to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the Notes represented by this Note Certificate are exchangeable for a like aggregate principal amount of Notes in authorized denominations but otherwise having the same terms and provisions, as requested by the Holder of this Note Certificate surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Trust or Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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Prior to due presentment of this Note Certificate for registration of transfer, the Trust, the Indenture Trustee and any agent of the Trust or the Indenture Trustee may treat the Holder as the owner of the Notes for all purposes, including receiving payment of principal of and interest on the Notes, whether or not the Notes be overdue, and neither the Trust, the Indenture Trustee nor any such agent shall be affected by notice to the contrary, except as required by law.

SECTION 9. CERTIFICATED NOTES. Under certain circumstances described in the Indenture, the Trust will issue Certificated Notes in exchange for the Book-Entry Notes represented by a Global Security. 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 Depository shall instruct the Registrar.

SECTION 10. MODIFICATIONS AND AMENDMENTS. The Indenture contains provisions permitting the Trust and the Indenture Trustee (1) without the consent of any Holder, to execute Supplemental Indentures for limited purposes and take other actions set forth in the Indenture, and (2) with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of Notes at the time outstanding, evidenced as provided in the Indenture, 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 subject to specified limitations.

SECTION 11. OBLIGATIONS UNCONDITIONAL. No reference herein to the Indenture or the Standard Indenture Terms and no provision of the Notes 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, the Notes at the places, at the respective times, and at the rate herein prescribed.

SECTION 12. COLLATERAL. Pursuant to the Indenture, the Trust will pledge and collaterally assign the relevant Funding Agreement(s) issued by the Funding Agreement Provider in connection with the issuance of the Notes (each, a "Funding Agreement") to the Indenture Trustee. The Notes will be secured by the Security Interest in the Collateral in favor of the Indenture Trustee for the benefit of the Holders of the Notes and each other persons for whose benefit the Indenture Trustee is or will be holding the Collateral (the "Secured Parties").

SECTION 13. SECURITY; LIMITED RECOURSE. The Notes are solely the obligations of the Trust, and will not be guaranteed by any person, including but not limited to the Funding Agreement Provider, Allstate Life Global Funding, any Agent, the Trust Beneficial Owner, the Delaware Trustee, the Indenture Trustee or any of their affiliates. The Trust's obligations under the Notes will be secured by all of the Trust's rights and title in one or more Funding Agreement(s) issued by the Funding Agreement Provider and other rights and assets included in the applicable Collateral. The Holder or Holders of the Notes have no direct contractual rights against the Funding Agreement Provider under the Funding Agreement(s). Under the terms of each Funding Agreement, recourse rights to the Funding Agreement Provider will belong to the Trust, its successors and permitted assignees. The Trust has pledged and collaterally assigned each Funding Agreement to the Indenture Trustee and has granted the Security Interest in the Collateral to the Indenture

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Trustee for the benefit of the Secured Parties. Recourse to the Funding Agreement Provider under each Funding Agreement will be enforceable only by the Indenture Trustee on behalf of the Secured Parties.

SECTION 14. EVENTS OF DEFAULT. If one or more Events of Default, as defined in the Indenture, shall have occurred and be continuing with respect to the Notes, then, and in every such event, unless the principal of the Notes shall have already become due and payable, the entire principal and premium (if any) of the Notes, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, may be declared to be, and upon any such declaration the same shall become immediately, due and payable; PROVIDED that, with respect to certain Events of Default, without any notice to the Trust or any other act by the Indenture Trustee or any Holder of the Notes, the entire principal and premium (if any) of the Notes, 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. If the Notes are Discount Notes, the amount of principal of the Notes that becomes due and payable upon such acceleration shall be equal to the amount calculated as set forth in Section 3 hereof.

SECTION 15. WITHHOLDING; ADDITIONAL AMOUNTS; TAX EVENT. 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. Unless otherwise specified on the face hereof, the Trust will not pay any additional amounts ("Additional Amounts") to Holders of the 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.

SECTION 16. LISTING. Unless otherwise specified on the face hereof, the Notes will not be listed on any securities exchange.

SECTION 17. NO RECOURSE. Notwithstanding anything to the contrary contained in the Indenture, or the Note Certificates or Supplemental Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Indenture Trustee or the Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "NON-RECOURSE 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, 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 Collateral. Neither the Holders nor the Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties 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



- At the time of his or her death, the Deceased Beneficial Owner owned Notes in the principal amount listed below.
- The Deceased Beneficial Owner acquired the Notes at least six (6) months before the date of death of such Deceased Beneficial Owner.
- The Financial Institution currently holds such Notes as a direct or indirect participant in The Depository Trust Company (the "Depository").

The Financial Institution agrees to the following terms:

- The Financial Institution shall follow the instructions (the "Instructions") accompanying this Repayment Election Form (this "Form").
- The Financial Institution shall make all records specified in the Instructions supporting the above representations available to J.P. Morgan Trust Company, National Association (the "Trustee") or [Name of Trust] (the "Trust") for inspection and review within five Business Days of the Indenture Trustee's or the Trust's request.
- If the Financial Institution, the Indenture Trustee or the Trust, in any such party's reasonable discretion, deems any of the records specified in the Instructions supporting the above representations unsatisfactory to substantiate a claim for repayment, the Financial Institution shall not be obligated to submit this Form, and the Indenture Trustee or the Trust may deny repayment. If the Financial Institution cannot substantiate a claim for repayment, it shall notify the Indenture Trustee and the Trust immediately.

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- Repayment elections may not be withdrawn.
- The Financial Institution agrees to indemnify and hold harmless the Indenture Trustee and the Trust against and from any and all claims, liabilities, costs, losses, expenses, suits and damages resulting from the Financial Institution's above representations and request for repayment on behalf of the Authorized Representative.
- The Notes will be repaid on the first Interest Payment Date to occur at least 20 calendar days after the date of acceptance of the Notes for repayment, unless such date is not a business day, in which case the date of repayment shall be the next succeeding business day.
- Subject to Allstate Life's right hereunder to limit the aggregate principal amount of Funding Agreements securing notes as to which exercises of any put option by the issuing trusts attributable to notes as to which exercises of the Survivor's Option shall be accepted in any one calendar year, all questions as to the eligibility or validity of any exercise of the survivor's option will be determined by the Indenture Trustee, in its sole discretion, which determination shall be final and binding on all parties.

REPAYMENT ELECTION FORM

(1)

-----  
Name of Deceased Beneficial Owner

(2)

-----  
Date of Death

(3)

-----  
Name of Authorized Representative Requesting Repayment

(4)

-----  
Name of Financial Institution Requesting Repayment

(5)

-----  
Signature of Authorized Representative of Financial Institution  
Requesting Repayment

(6)

-----  
Principal Amount of Requested Repayment

(7)

-----  
Date of Election

(8) Financial Institution

Representative: Name:  
Phone Number:  
Fax Number:  
Mailing Address (no P.O. Boxes):

(9) Wire instructions for payment:

Bank Name:  
ABA Number:  
Account Name:  
Account Number:  
Reference (optional):

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TO BE COMPLETED BY THE INDENTURE TRUSTEE:

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- (A) Election Number\*:
- (B) Delivery and Payment Date:
- (C) Principal Amount:
- (D) Accrued Interest:
- (E) Date of Receipt of Form by the Indenture Trustee:
- (F) Date of Acknowledgment by the Indenture Trustee:

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\* To be assigned by the Indenture Trustee upon receipt of this Form. An acknowledgement, in the form of a copy of this document with the assigned Election Number, will be returned to the party and location designated in item (8) above.

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INSTRUCTIONS FOR COMPLETING REPAYMENT ELECTION FORM AND EXERCISING  
REPAYMENT OPTION

Capitalized terms used and not defined herein have the meanings defined in the accompanying Repayment Election Form.

1. Collect and retain for a period of at least three years (1) satisfactory evidence of the authority of the Authorized Representative, (2) satisfactory evidence of death of the Deceased Beneficial Owner, (3) satisfactory evidence that the Deceased Beneficial Owner beneficially owned, at the time of his or her death, the Notes being submitted for repayment, (4) satisfactory evidence that the Notes being submitted for repayment were acquired by the Deceased Beneficial Owner at least six (6) months before the date of the death of such Deceased Beneficial Owner, and (5) any necessary tax waivers. For purposes of determining whether the Notes will be deemed beneficially owned by an individual at any given time, the following rules shall apply:
  - If a Note (or a portion thereof) is beneficially owned by tenants by the entirety or joint tenants, the Note (or relevant portion thereof) will be regarded as beneficially owned by a single owner. Accordingly, the death of a tenant by the entirety or joint tenant will be deemed the death of the beneficial owner and the entire principal amount so owned will become eligible for repayment.
  - The death of a person beneficially owning a Note (or a portion thereof) by tenancy in common will be deemed the death of the beneficial owner only with respect to the deceased owner's interest in the Note (or relevant portion thereof) so owned, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficial owner and the entire principal amount so owned will be eligible for repayment.
  - A Note (or a portion thereof) beneficially owned by a trust will be regarded as beneficially owned by each beneficiary of the trust to the extent of that beneficiary's interest in the trust (however, a trust's beneficiaries collectively cannot be beneficial owners of more Notes than are owned by the trust). The death of a beneficiary of a trust will be deemed the death of the beneficial owner of the Notes (or relevant portion thereof) beneficially owned by the trust to the extent of that beneficiary's interest in the trust. The death of an individual who was a tenant by the entirety or joint tenant in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust. The death of an individual who was a tenant in common in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust only with respect to the deceased holder's beneficial interest in the Note, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficiary of the trust.
  - The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interest in a Note (or a portion thereof) will be deemed the death of the beneficial owner of that Note (or relevant portion thereof),

regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of the Indenture Trustee. Such beneficial interest will exist in many cases of street name or nominee ownership, custodial arrangements, ownership by a trustee, ownership under the Uniform Transfers of Gifts to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will be evidenced by such factors as the power to sell or otherwise dispose of a Note, the right to receive the proceeds of sale or disposition and the right to receive interest and principal payments on a Note.

2. Indicate the name of the Deceased Beneficial Owner on line (1).

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3. Indicate the date of death of the Deceased Beneficial Owner on line (2).
4. Indicate the name of the Authorized Representative requesting repayment on line (3).
5. Indicate the name of the Financial Institution requesting repayment on line (4).
6. Affix the authorized signature of the Financial Institution's representative on line (5). THE SIGNATURE MUST BE MEDALLION SIGNATURE GUARANTEED.
7. Indicate the principal amount of Notes to be repaid on line (6).
8. Indicate the date this Form was completed on line (7).
9. Indicate the name, mailing address (no P.O. boxes, please), telephone number and facsimile-transmission number of the party to whom the acknowledgment of this election may be sent in item (8).
10. Indicate the wire instruction for payment on line (9).
11. Leave lines (A), (B), (C), (D), (E) and (F) blank.
12. Mail or otherwise deliver an original copy of the completed Form to:

J.P. Morgan Trust Company, National Association  
[201 North Central Avenue  
Phoenix, Arizona 85004]

13. FACSIMILE TRANSMISSIONS OF THE REPAYMENT ELECTION FORM WILL NOT BE ACCEPTED.
14. If the acknowledgement of the Indenture Trustee's receipt of this Form, including the assigned Election Number, is not received within 10 days of the date such information is sent to the Trustee, contact the Trustee at J.P. Morgan Trust Company, National Association, [201 North Central Avenue, Phoenix, Arizona 85004].
15. For assistance with this Form or any questions relating thereto, please contact the Trustee at J.P. Morgan Trust Company, National Association, [201 North Central Avenue, Phoenix, Arizona 85004].

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Schedule I

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FORM OF DEFINITIVE SECURITY FOR  
ALLSTATE LIFE(SM) CORENOTES(SM) PROGRAM

[FACE OF DEFINITIVE SECURITY]

UNLESS THIS NOTE CERTIFICATE IS PRESENTED BY THE HOLDER OR AN AUTHORIZED REPRESENTATIVE OF THE HOLDER TO THE TRUST (HEREINAFTER DEFINED) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED HOLDER HEREOF HAS AN INTEREST HEREIN.

THIS NOTE CERTIFICATE IS A DEFINITIVE SECURITY WITHIN THE MEANING OF THE STANDARD INDENTURE TERMS (HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE HOLDER (AS DEFINED IN THE STANDARD INDENTURE TERMS) HEREOF. THIS NOTE IS NOT EXCHANGEABLE FOR A GLOBAL SECURITY (AS DEFINED IN THE STANDARD INDENTURE TERMS).

CUSIP No. :

ALLSTATE LIFE GLOBAL FUNDING TRUST [    ] - [    ]

ALLSTATE LIFE(SM) CORENOTES(SM)

Title of Notes:	Stated Maturity Date:
Principal Amount: \$ _____	Settlement Date and Time:
Original Issue Date:	Securities Exchange Listing: / / Yes / / No. If yes, indicate name(s) of Securities Exchange(s):
Issue Price:	
Interest Rate or Formula:	Floating Rate Note: / / Yes / / No. If yes, Regular Floating Rate Notes: / / Floating Rate/Fixed Rate Notes: / / Interest Rate:
Fixed Rate Note: / / Yes / / No. If yes, Interest Rate:	Interest Rate Basis(es):
Interest Payment Dates:	LIBOR / /
Day Count Convention:	/ / LIBOR Reuters Page:
Additional/Other Terms:	/ / LIBOR Telerate Page:
Discount Note: / / Yes / / No. If yes, Total Amount of Discount:	LIBOR Currency:
Initial Accrual Period of Discount:	Constant Maturity Treasury Rate / / Designated CMT Telerate Page:
Interest Payment Dates:	If Telerate Page 7052:
Additional/Other Terms:	/ / Weekly Average
Redemption Provisions: / / Yes / / No. If yes, Initial Redemption Date:	/ / Monthly Average
Initial Redemption Percentage:	Designated CMT Maturity Index:
Annual Redemption Percentage	
Reduction, if any:	
Additional/Other Terms:	

"Allstate Life(SM)" is a registered servicemark of Allstate Insurance Company.  
"CoreNotes(SM)" is a registered servicemark of Merrill Lynch & Co., Inc.

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Survivor's Option: / / Yes / / No.	CD Rate / /
Regular Interest Record Date(s):	Commercial Paper Rate / /
Sinking Fund:	Federal Funds Rate / /
Calculation Agent:	Prime Rate / /
Authorized Denominations:	Treasury Rate / /
Collateral: Allstate Life Insurance Company	Other / / See attached.
Funding Agreement No(s). / /, all proceeds of such funding	Index Maturity:
Agreement(s), all books and records pertaining to such Funding	Spread and/or Spread Multiplier, if any:
Agreement(s) and all rights of the Trust pertaining to the foregoing.	Initial Interest Rate, if any:
Additional/Other Terms:	Initial Interest Reset Date:
	Interest Reset Dates:
	Interest Determination Date(s):
	Interest Payment Dates:
	Maximum Interest Rate, if any:
	Minimum Interest Rate, if any:
	Fixed Rate Commencement Date, if any:
	Fixed Interest Rate, if any:
	Day Count Convention:
	Additional/Other Terms:

This Note Certificate is a Definitive Security in respect of a duly authorized issue of Notes (the "Notes") of the Allstate Life Global Funding Trust designated above, a statutory trust organized under the laws of the State of Delaware (the "Trust"). The Notes are issued under the Indenture, dated as of the date hereof (as amended or supplemented from time to time, the "Indenture")



between the Trust and J.P. Morgan Trust Company, National Association, as indenture trustee (including any successor, the "Indenture Trustee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed in the Standard Indenture Terms, dated as of [ ] (as amended or supplemented from time to time, the "Standard Indenture Terms").

The Trust, for value received, hereby promises to pay to the Holder hereof or its registered assigns on the Stated Maturity Date (or on the date of redemption or repayment by the Trust prior to maturity pursuant to redemption or repayment provisions, in each case, if provided for above) the principal amount specified above and, if so specified above, to pay interest from time to time on the Notes represented by this Note Certificate from the Original Issue Date specified above (the "Original Issue Date") or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the rate per annum determined in accordance with the provisions on the reverse hereof and as specified above, until the principal of the Notes represented by this Note Certificate is paid or made available for payment and to pay such other amounts due and owing with respect to the Notes represented by this Note Certificate.

On any exchange or purchase and cancellation of any of the Notes represented by this Note Certificate, details of such exchange or purchase and cancellation shall be entered in the records of the Indenture Trustee. Upon any such exchange or purchase and cancellation, the principal amount of the Notes represented by this Note Certificate shall be charged by the principal amount so exchanged or purchased and cancelled, as provided in the Standard

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Indenture Terms.

Unless otherwise set forth above, if the Notes are subject to an Annual Redemption Percentage Reduction as specified above, the Redemption Price of the Notes represented by this Note Certificate shall initially be the Initial Redemption Percentage of the principal amount of the Notes represented by this Note Certificate on the Initial Redemption Date and shall decline at each anniversary of the Initial Redemption Date (each such date, a "Redemption Date") by the Annual Redemption Percentage Reduction of such principal amount until the Redemption Price is 100% of such principal amount.

The Notes will mature on the Stated Maturity Date, unless their principal (or, any installment of their 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 the option of the Trust, notice of the Holder's option to elect repayment or otherwise (the Stated Maturity Date or any date prior to the Stated Maturity Date on which the Notes become due and payable, as the case may be, are referred to as the "Maturity Date" with respect to principal of the Notes repayable on such date).

Unless otherwise provided above and except as provided in the following paragraph, the Trust will pay interest on each Interest Payment Date specified above, commencing with the first Interest Payment Date next succeeding the Original Issue Date, and on the Maturity Date; PROVIDED that any payment of principal, premium, if any, interest or other amounts to be made on any Interest Payment Date or on a Maturity Date that is not a Business Day shall be made on the next succeeding Business Day, PROVIDED, HOWEVER, with respect to an Interest Payment Date other than the Maturity Date, if the Notes are LIBOR Notes (as defined in Section 3 on the reverse hereof) and that next succeeding Business Day falls in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

Unless otherwise specified above, the interest payable on each Interest Payment Date or on the Maturity Date will be the 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").

Reference is hereby made to the further provisions of the Notes set forth on the reverse hereof and, if so specified on the face hereof, in an Addendum hereto, which further provisions shall for all purposes have the same force and effect as if set forth on the face hereof.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to the Notes as specified above, the Notes shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

The Notes represented by this Note Certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by the Indenture Trustee pursuant to the Indenture.

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IN WITNESS WHEREOF, the Trust has caused this instrument to be duly executed on its behalf.

Dated: Original Issue Date THE ALLSTATE LIFE GLOBAL FUNDING TRUST  
SPECIFIED ON THE FACE OF THIS NOTE  
CERTIFICATE,  
as Issuer

By: WILMINGTON TRUST COMPANY,  
not in its individual capacity  
but solely as Delaware Trustee.

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

#### 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 Standard Indenture Terms.

Dated: Original Issue Date J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Indenture Trustee

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

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#### [REVERSE OF DEFINITIVE SECURITY]

SECTION 1. GENERAL. This Note Certificate is a Definitive Security in respect of a duly authorized issue of Notes of the Trust. The Notes are issued pursuant to the Indenture.

SECTION 2. CURRENCY. The Notes are denominated in, and payments of principal, premium, if any, and/or interest, if any, will be made in U.S. dollars.

#### SECTION 3. DETERMINATION OF INTEREST RATE AND OTHER PAYMENT PROVISIONS.

FIXED RATE NOTES. If the Notes are designated on the face hereof as "Fixed Rate Notes," the Notes will bear interest from the Original Issue Date until the Maturity Date. Unless otherwise specified on the face hereof, the rate of interest payable on the Notes will not be adjusted; unless otherwise specified on the face hereof, interest will be payable on the Interest Payment Dates set forth on the face hereof and at the Maturity Date. Interest 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 Fixed Rate Notes falls on a day that is not a Business Day, any payments of principal, premium, if any, and/or interest or other amounts required to be made, may be made on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

DISCOUNT NOTES. If the Notes are designated on the face hereof as "Discount Notes" (as defined below), payments in respect of the Notes shall be made as set forth on the face hereof. In the event a Discount Note is redeemed, repaid or accelerated, the amount payable to the Holder of such Note on the Maturity Date will be equal to the sum of (1) the Issue Price (increased by any accruals of discount) and, in the event of any redemption of such Discount Notes, if applicable, multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable); and (2) any unpaid interest accrued on such Discount Notes to the date of redemption, repayment or acceleration of maturity, as applicable. For purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity of the Notes occurs for Discount Notes, the 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 Discount Notes (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to Discount Notes and an assumption that the maturity of such Discount Notes will not be accelerated. If the period from the date of issue to the first Interest Payment Date for Discount Notes (the "Initial Period") is shorter than the compounding period for such 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. A "Discount Note" is

any Note that has 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 Date.

FLOATING RATE NOTES. If the Notes are specified on the face hereof as "Floating Rate Notes," interest on the Notes shall accrue and be payable in accordance with this Section 3. A

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Floating Rate Note may be a CD Rate Note, CMT Rate Note, Commercial Paper Rate Note, Federal Funds Rate Note, LIBOR Note, Prime Rate Note, Treasury Rate Note, or as otherwise set forth on the face hereof. If the Notes are designated on the face hereof as Floating Rate Notes, the face hereof will specify whether the Notes are Regular Floating Rate Notes or Floating Rate/Fixed Rate Notes. For the period from the date of issue to, but not including, the first Interest Reset Date set forth on the face hereof, the interest rate hereon shall be the Initial Interest Rate specified on the face hereof. Thereafter, the interest rate hereon will be reset as of and be effective as of each Interest Reset Date.

- (A) If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day; PROVIDED, HOWEVER, that if the Notes are LIBOR Notes and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the Business Day immediately preceding such Interest Reset Date.
- (B) Unless specified otherwise on the face hereof, Interest Reset Dates are as follows: (1) if the Notes reset daily, each Business Day, (2) if the Notes reset weekly, other than Treasury Rate Notes, the Wednesday of each week, (3) if the Notes are Treasury Rate Notes that reset weekly, and except as provided below under "Treasury Rate Notes," the Tuesday of each week, (4) if the Notes reset monthly, the third Wednesday of each month, (5) if the Notes reset quarterly, the third Wednesday of March, June, September and December of each year, (6) if the Notes reset semiannually, the third Wednesday of each of the two months specified on the face hereof and (7) if the Notes reset annually, the third Wednesday of the month specified each year; PROVIDED, HOWEVER, that with respect to Floating Rate/ Fixed Rate Notes, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date specified on the face hereof (the "Fixed Rate Commencement Date").
- (C) 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 Floating Rate Notes as to which the CD Rate, the Commercial Paper Rate, the Federal Funds Rate, LIBOR or the Prime Rate is an applicable Interest Rate Basis (as defined below), or by the actual number of days in the year, in the case of Floating Rate Notes as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for 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 on the face hereof applied. The interest rate shall be set forth on the face hereof. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. Unless otherwise specified on the face hereof, the interest rate that is effective on the applicable Interest Reset Date will be determined on the applicable Interest Determination Date and calculated on the applicable Calculation Date (as defined

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below). "Calculation Date" means the date by which the Calculation Agent designated on the face hereof, is to calculate the interest rate which will be the earlier of (1) 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 (2) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

- (D) Unless otherwise specified on the face hereof, 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. All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded to the nearest cent.

Unless otherwise specified on the face hereof and except as provided below,

interest will be payable as follows: (1) if the Interest Reset Date for the Notes is daily, weekly or monthly, interest will be payable on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified on the face hereof, (2) if the Interest Reset Date for the Notes is quarterly, interest will be payable on the third Wednesday of March, June, September, and December of each year, (3) if the Interest Reset Date for the Notes is semiannually, interest will be payable on the third Wednesday of each of two months specified on the face hereof of each year, (4) if the Interest Reset Date for the Notes is annually, interest will be payable on the third Wednesday of the month specified on the face hereof of each year. In each of these cases, interest will also be payable on the Maturity Date.

If specified on the face hereof, the Notes may have either or both of a Maximum Interest Rate or Minimum Interest Rate. If a Maximum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever exceed such Maximum Interest Rate and in the event that the interest rate on any Interest Reset Date would exceed such Maximum Interest Rate (as if no Maximum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Maximum Interest Rate. If a Minimum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for Floating Rate Notes cannot ever be less than such Minimum Interest Rate and in the event that the interest rate on any Interest Reset Date would be less than such Minimum Interest Rate (as if no Minimum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Minimum Interest Rate. Notwithstanding anything to the contrary contained herein, if the Notes are designated on the face hereof as Floating Rate Notes, the interest rate on Notes shall not exceed the maximum interest rate permitted by applicable law.

All determinations of interest by the Calculation Agent designated on the face hereof will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of the Notes and neither the Indenture Trustee nor the Calculation Agent shall have any liability to the Holder of the Notes in respect of any determination, calculation, quote or rate made or provided by the Calculation Agent. Upon request of the Holder of the Notes, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to the Notes. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the interest rate for any interest accrual period or to calculate the interest amount or any other

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requirements, the Trust will appoint a successor to act as such in its place. The Calculation Agent may not resign its duties until a successor has been appointed and such successor has accepted its appointment.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date, the rate of interest on the Notes on and after the first Interest Reset Date shall be the interest rate determined in accordance with the provisions of the heading below which has been designated as the Interest Rate Basis on the face hereof (the "Interest Rate Basis"), the base rate, plus or minus the Spread, if any, specified on the face hereof and/or multiplied by the Spread Multiplier, if any, specified on the face hereof.

- (A) CD RATE NOTES. If the Interest Rate Basis is the CD Rate, the Notes shall be deemed to be "CD Rate Notes." CD Rate Notes will bear interest at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CD Rate on each Interest Determination Date. The Interest Determination Date is the second Business Day immediately preceding the related Interest Reset Date. "CD Rate" means the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or, if 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 the particular Index Maturity as published in the H.15 Daily Update (as defined below) or other recognized electronic source used for the purpose of displaying the applicable rate under the heading "CDs (secondary market)." If such rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate will be 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, if the dealers so selected by the Calculation Agent are not quoting as described in the preceding sentence, the CD Rate in effect on the particular Interest Determination Date. "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; and "H.15 Daily Update" means the daily update of H.15(519), available through the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.

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- (B) CMT RATE NOTES. If the Interest Basis is the CMT Rate, the Notes shall be deemed to be "CMT Rate Notes." CMT Rate Notes will bear interest at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the CMT Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is the second Business Day prior to the Interest Reset Date. "CMT Rate" means (1) if CMT Moneyline Telerate Page 7051 is specified on the face hereof: (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 one 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

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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 on the face hereof (a) the percentage equal to the one-week or one-month, as specified on the face hereof, average yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 on the face hereof, 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 on the face hereof, 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 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 one 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

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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 on the face hereof 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.

- (C) COMMERCIAL PAPER RATE NOTES. If the Interest Rate Basis is the Commercial Paper Rate, the Notes shall be deemed to be "Commercial Paper Rate Notes." Commercial Paper Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the

Commercial Paper Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "Commercial Paper Rate" means the Money Market Yield (calculated as described below) on the Interest Determination Date of the rate for commercial paper having the applicable Index Maturity as such rate is published in H.15(519) under the heading "Commercial Paper -- Nonfinancial." If such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial paper having the particular Index Maturity as published on H.15 Daily Update or such other recognized electronic source used for the purposes of displaying the applicable rate, under the caption "Commercial Paper -- Nonfinancial", or if such rate is not published by 3:00 P.M., New York City time, on the Calculation Date, then the Commercial Paper Rate as calculated by the Calculation Agent shall be 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; PROVIDED, HOWEVER, that if the dealers selected by the Calculation Agent are not quoting offered rates as mentioned above, the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" shall be 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 per annum rate for the 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 Period.

- (D) FEDERAL FUNDS RATE NOTES. If the Interest Rate Basis is the Federal Funds Rate, the Notes shall be deemed to be "Federal Funds Rate Notes." Federal Funds Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Federal Funds Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 (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.

- (E) LIBOR NOTES. If the Interest Rate Basis is LIBOR (as defined below), the Notes shall be deemed to be "LIBOR Notes." LIBOR Notes will bear interest for each Interest Period at the interest rate calculated with

reference to LIBOR and the Spread or Spread Multiplier, if any. On each applicable Interest Determination Date the Calculation Agent will determine LIBOR. The applicable Interest Determination Date is the second London Banking Day preceding the related Interest Reset Date.

LIBOR means: (1) if "LIBOR Moneyline Telerate" is specified on the face hereof or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the rate for deposits in the LIBOR Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the related Interest Reset Date, that appears on the LIBOR Page (as defined below) as of 11:00 A.M., London time, on the particular Interest Determination Date, or (2) if "LIBOR Reuters" is specified on the face hereof, 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 (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.

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"LIBOR Currency" means United States dollars.

"LIBOR Page" means either: if "LIBOR Reuters" is specified on the face hereof as the method for calculating LIBOR, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (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 on the face hereof or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service) on the page specified on the face hereof (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.

- (F) PRIME RATE NOTES. If the Interest Rate Basis is the Prime Rate, the Notes shall be deemed to be "Prime Rate Notes." Prime Rate Notes will bear interest for each Interest Reset Date calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any, subject to the Minimum Interest Rate and/or Maximum Interest Rate, if any, specified on the face hereof. The Calculation Agent will determine the Prime Rate for each Interest Reset Date on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 on 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

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that page on that service) for the purpose of displaying prime rates or base lending rates of major United States banks.

- (G) TREASURY RATE NOTES. If the Interest Rate Basis is the Treasury Rate, the Notes shall be deemed to be "Treasury Rate Notes." Treasury Rate Notes will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any. The Calculation Agent will determine the Treasury Rate on each Treasury Rate Determination Date (as defined below). "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 on the face hereof 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 on the face hereof, 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)

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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 Period.

The "Treasury Rate Determination Date" for each Interest Reset Date means the day in the week in which the related Interest Reset Date falls on which day Treasury Bills 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.

- (H) REGULAR FLOATING RATE NOTES. Unless the Notes are designated as Floating Rate/Fixed 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 Notes that bear interest at floating rates will be 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. Commencing on the first Interest Reset Date, as specified on the face hereof, the rate at which interest on 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.
- (I) FLOATING RATE/FIXED RATE NOTES. If the Notes are designated as "Floating Rate/Fixed Rate Notes" on the face hereof, such Notes that bear interest at floating rates 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 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 on the face hereof; and the interest rate in effect commencing on the Fixed Rate Commencement Date will be the Fixed Interest Rate, if specified on the face hereof, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

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SECTION 4. OPTIONAL REDEMPTION. Except in the case of Discount Notes, if an Initial Redemption Date is specified on the face hereof, the Trust may redeem the Notes prior to the Stated Maturity Date at its option on any Business Day on or after the 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 on the face hereof at the applicable Redemption Price (as defined below) together with any unpaid interest accrued on the Notes, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date. Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holders of the Notes to be redeemed not more than 60 nor less than 30 days prior to the Redemption Date. "Redemption Price" means an amount equal to the Initial Redemption Percentage specified on the face hereof (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount of Notes represented by this Note Certificate to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by an 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.

#### SECTION 5. REPAYMENT PROVISIONS.

If the face of this Note Certificate specifies that "Survivor's Option" (as

defined below) applies, the person (the "Authorized Representative") who has legal authority to act on behalf of the estate of the deceased owner of a beneficial interest in the Notes represented hereby shall have the option to elect repayment of the Notes in whole or in part in increments of U.S.\$1,000 (provided that any remaining principal amount of the Notes shall be at least U.S.\$1,000), following the death of such beneficial owner (a "Survivor's Option"). No Survivor's Option may be exercised unless such beneficial interest was held by the beneficial owner for a period of at least six months prior to the death of the beneficial owner.

Pursuant to the valid exercise of the Survivor's Option, if applicable, the Trust shall repay the Notes represented hereby (or portion thereof) at a price equal to 100% of the unpaid principal amount of the Notes to be repaid, together with unpaid interest accrued thereon to, but excluding, the Repayment Date, subject to the limitations in the next succeeding sentence. Allstate Life Insurance Company ("Allstate Life") may, in its sole discretion, limit the aggregate principal amount of (i) all Funding Agreements securing all outstanding series of notes issued under the Allstate Life(SM) CoreNotes(SM) program as to which exercises of any put option by any issuing trust shall be accepted by Allstate Life in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the aggregate principal amount of all Funding Agreements securing all outstanding series of notes issued under the Allstate Life(SM) CoreNotes(SM) program as of the end of the most recent calendar year or such other greater amount as determined in accordance with the applicable Funding Agreement(s) and set forth on the face hereof; (ii) the Funding Agreement(s) securing the Notes as to which exercises of any put option by the Trust attributable to Notes as to which the Survivor's Option has been exercised by the Authorized Representative of any individual deceased beneficial owner to \$250,000 in any calendar year or such other greater amount as determined in accordance with the applicable Funding Agreement(s) and set forth on the face hereof; and (iii) the Funding Agreement(s) securing the Notes as to which

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exercises of any put option by the Trust shall be accepted in any calendar year to an amount as set forth in the applicable Funding Agreement(s) and on the face hereof.

In any such event, the Trust shall similarly be required to limit the aggregate principal amount of Notes as to which exercises of the Survivor's Option shall be accepted by it.

Each election to exercise the Survivor's Option shall be effected in the order received by the Administrator. Notes that are not repaid in any calendar year due to the application of the limits described above will be treated as though they had been tendered on the first day of the following calendar year in the order in which they were originally tendered. Subject to the limitations described above, Notes accepted for repayment will be repaid on the first interest payment date that occurs 20 or more calendar days after the date of the acceptance unless that interest payment date is not a Business Day, in which case the repayment date will be the next succeeding Business Day.

To exercise the Survivor's Option, the Authorized Representative must provide to the Indenture Trustee a properly completed Repayment Election Form, which is attached hereto as Annex A.

Subject to Allstate Life's right hereunder to limit the aggregate principal amount of Funding Agreements securing notes as to which exercises of any put option by the issuing trusts attributable to notes as to which exercises of the Survivor's Option shall be accepted in any one calendar year, all questions as to the eligibility or validity of any exercise of the Survivor's Option will be determined by the Administrator, in its sole discretion. The Administrator's determination shall be final and binding.

The death of a person owning a Note or beneficial interest therein in joint tenancy or tenancy by the entirety with another person or persons shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note, and the entire principal amount of such Note or beneficial interest therein shall be eligible for repayment pursuant to the Survivor's Option. The death of a person owning a Note or beneficial interest therein by tenancy in common shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note only to the extent of the interest of the deceased Holder or beneficial owner in such Note unless such Note or beneficial interest therein is held by husband and wife as tenants in common, in which case, the death of either spouse shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note, and the entire principal amount of such Note or beneficial interest therein shall be eligible for repayment pursuant to the Survivor's Option.

The death of a person who, during his or her lifetime, was entitled to substantially all of the interests of beneficial ownership of a Note shall be deemed to be the death of the Holder or beneficial owner, as the case may be, of such Note if such interests can be established to the satisfaction of the Administrator.

In the event of repayment of the Notes in part only, a new Note Certificate of like tenor in a principal amount equal to the unrepaid portion of principal of Notes represented by this Note Certificate and otherwise having the same terms and provisions as the Notes shall be issued by

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the Trust in the name of the Holder of this Note Certificate upon the presentation and surrender of this Note Certificate.

SECTION 6. SINKING FUND. Unless otherwise specified on the face hereof, the Notes will not be subject to, or entitled to the benefit of, any sinking fund.

SECTION 7. TAX REDEMPTION. If (i) the Trust is required at any time to pay Additional Amounts (as defined below) or if the Trust is obligated to withhold or deduct any United States taxes with respect to any payment under the Notes, as set forth in the Note Certificates, or if there is a material probability that the Trust 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's or the Trusts'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 the terms of such Funding Agreement, then the Trust will redeem the Funding Note 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.

Unless otherwise specified in the Indenture or on the face hereof, the Trust shall give a notice of such redemption to the Holder of the Notes to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; PROVIDED, that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which the Trust would become obligated to pay the applicable Additional Amounts were a payment in respect of the Notes then due. Failure to give such notice to the Holder of any portion of the Notes 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 Notes.

SECTION 8. MODIFICATIONS AND AMENDMENTS. The Indenture contains provisions permitting the Trust and the Indenture Trustee (1) without the consent of any Holder, to execute Supplemental Indentures for limited purposes and take other actions set forth in the Indenture and (2) with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of Notes at the time outstanding, evidenced as provided in the Indenture, 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 subject to specified limitations.

SECTION 9. OBLIGATIONS UNCONDITIONAL. No reference herein to the Indenture or the Standard Indenture Terms and no provision of the Notes 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, the Notes at the places, at the respective times, and at the rate herein prescribed.

SECTION 10. COLLATERAL. Pursuant to the Indenture, the Trust will pledge and collaterally assign the relevant Funding Agreement(s) issued by the Funding Agreement Provider in connection with the issuance of the Notes (each, a "Funding Agreement") to the Indenture Trustee. The Notes will be secured by the Security Interest in the Collateral in favor of the Indenture Trustee for the benefit of the Holders of the Notes and each other persons for whose benefit the Indenture Trustee is or will be holding the Collateral (the "Secured Parties").

SECTION 11. SECURITY; LIMITED RECOURSE. The Notes are solely the obligations of the Trust, and will not be guaranteed by any person, including but not limited to the Funding Agreement Provider, Global Funding, any Agent, the Trust Beneficial Owner, the Delaware Trustee, the Indenture Trustee or any of their affiliates. The Trust's obligations under the Notes will be secured by all of the Trust's rights and title in one or more Funding Agreement(s) issued by the Funding Agreement Provider and other rights and assets included in the applicable Collateral. The Holder or Holders of the Notes have no direct contractual rights against the Funding Agreement Provider under the Funding Agreement(s). Under the terms of each Funding Agreement, recourse rights to the Funding Agreement Provider will belong to the Trust, its successors and permitted assignees. The Trust has pledged and collaterally assigned each Funding Agreement to the Indenture Trustee and granted the Security Interest in the Collateral to the Indenture Trustee for the benefit of the Secured Parties. Recourse to the Funding Agreement Provider under each Funding Agreement will be enforceable only by the Indenture Trustee on behalf of the Secured Parties.

SECTION 12. EVENTS OF DEFAULT. If one or more Events of Default, as defined in the Indenture, shall have occurred and be continuing with respect to the Notes, then, and in every such event, unless the principal of the Notes shall have already become due and payable, the entire principal and premium (if any) of the Notes, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, may be declared to be, and upon any such declaration the same shall become immediately, due and payable; PROVIDED that, with respect to certain Events of Default, without any notice to the Trust or any other act by the Indenture Trustee or any Holder of the Notes, the entire principal and premium (if any) of the Notes, 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.

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If the Notes are Discount Notes, the amount of principal of the Notes that becomes due and payable upon such acceleration shall be equal to the amount calculated as set forth in Section 3 hereof.

SECTION 13. WITHHOLDING; ADDITIONAL AMOUNTS; TAX EVENT. 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. Unless otherwise specified on the face hereof, the Trust will not pay any additional amounts ("Additional Amounts") to Holders of the 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.

SECTION 14. LISTING. Unless otherwise specified on the face hereof, the Notes will not be listed on any securities exchange.

SECTION 15. NO RECOURSE. Notwithstanding anything to the contrary contained in the Indenture, or the Note Certificates or Supplemental Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Indenture Trustee or the Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "NON-RECOURSE 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, 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 Collateral. Neither the Holders nor the Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties 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 Collateral.

SECTION 16. GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN	_____Custodian_____
		ACT	(Cust) (Minor)
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act
			_____
			(State)
CUST	- custodian		

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) 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 Security of THE ALLSTATE LIFE GLOBAL FUNDING TRUST SPECIFIED ON THE FACE OF THIS NOTE CERTIFICATE and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer said Security on the books of the Issuer, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

REPAYMENT ELECTION FORM

ALLSTATE LIFE GLOBAL FUNDING  
ALLSTATE LIFE(SM) CORENOTES(SM)

CUSIP No.

To: [Name of Trust]

The authorized representative (the "Authorized Representative") represents the following:

- The Authorized Representative requests repayment of Allstate Life(SM) CoreNotes(SM) (CUSIP No. ) (the "Notes") of the deceased beneficial

owner listed below (the "Deceased Beneficial Owner").

- At the time of his or her death, the Deceased Beneficial Owner owned Notes in the principal amount listed below.
- The Deceased Beneficial Owner acquired the Notes at least six (6) months before the date of death of such Deceased Beneficial Owner.

The Authorized Representative agrees to the following terms:

- The Authorized Representative shall follow the instructions (the "Instructions") accompanying this Repayment Election Form (this "Form").
- The Authorized Representative shall make all records specified in the Instructions supporting the above representations available to J.P. Morgan Trust Company, National Association (the "Trustee") or [Name of Trust] (the "Trust") for inspection and review within five Business Days of the Indenture Trustee's or the Trust's request.
- If the Indenture Trustee or the Trust, in any such party's reasonable discretion, deems any of the records specified in the Instructions supporting the above representations unsatisfactory to substantiate a claim for repayment, the Indenture Trustee or the Trust may deny repayment. If the Authorized Representative cannot substantiate a claim for repayment, it shall notify the Indenture Trustee and the Trust immediately.
- Repayment elections may not be withdrawn.
- The Notes will be repaid on the first Interest Payment Date to occur at least 20 calendar days after the date of acceptance of the Notes for repayment, unless such date is not a business day, in which case the date of repayment shall be the next succeeding business day.

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- Subject to Allstate Life's right hereunder to limit the aggregate principal amount of Funding Agreements securing notes as to which exercises of any put option by the issuing trusts attributable to notes as to which exercises of the Survivor's Option shall be accepted in any one calendar year, all questions as to the eligibility or validity of any exercise of the survivor's option will be determined by the Indenture Trustee, in its sole discretion, which determination shall be final and binding on all parties.

REPAYMENT ELECTION FORM

(1)

-----  
Name of Deceased Beneficial Owner

(2)

-----  
Date of Death

(3)

-----  
Name of Authorized Representative Requesting Repayment

(4)

-----  
Signature of Authorized Representative Requesting Repayment

(5)

-----  
Principal Amount of Requested Repayment

(6)

-----  
Date of Election  
-----

(7) Authorized Representative:	(8) Wire instructions for payment:
Name:	Bank Name:
Phone Number:	ABA Number:
Fax Number:	Account Name:
Mailing Address (no P.O. Boxes):	Account Number:
	Reference (optional):

-----

TO BE COMPLETED BY THE INDENTURE TRUSTEE:

(A) Election Number\*:

(B) Delivery and Payment Date:

(C) Principal Amount:

(D) Accrued Interest:

(E) Date of Receipt of Form by the Indenture Trustee:

(F) Date of Acknowledgment by the Indenture Trustee:

- - - - -  
\* To be assigned by the Indenture Trustee upon receipt of this Form. An acknowledgment, in

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the form of a copy of this document with the assigned Election Number, will be returned to the party and location designated in item (7) above.

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INSTRUCTIONS FOR COMPLETING REPAYMENT ELECTION FORM AND EXERCISING REPAYMENT OPTION

Capitalized terms used and not defined herein have the meanings defined in the accompanying Repayment Election Form.

1. Collect and retain for a period of at least three years (1) satisfactory evidence of the authority of the Authorized Representative, (2) satisfactory evidence of death of the Deceased Beneficial Owner, (3) satisfactory evidence that the Deceased Beneficial Owner beneficially owned, at the time of his or her death, the Notes being submitted for repayment, (4) satisfactory evidence that the Notes being submitted for repayment were acquired by the Deceased Beneficial Owner at least six (6) months before the date of the death of such Deceased Beneficial Owner, and (5) any necessary tax waivers. For purposes of determining whether the Notes will be deemed beneficially owned by an individual at any given time, the following rules shall apply:
  - If a Note (or a portion thereof) is beneficially owned by tenants by the entirety or joint tenants, the Note (or relevant portion thereof) will be regarded as beneficially owned by a single owner. Accordingly, the death of a tenant by the entirety or joint tenant will be deemed the death of the beneficial owner and the entire principal amount so owned will become eligible for repayment.
  - The death of a person beneficially owning a Note (or a portion thereof) by tenancy in common will be deemed the death of the beneficial owner only with respect to the deceased owner's interest in the Note (or relevant portion thereof) so owned, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficial owner and the entire principal amount so owned will be eligible for repayment.
  - A Note (or a portion thereof) beneficially owned by a trust will be regarded as beneficially owned by each beneficiary of the trust to the extent of that beneficiary's interest in the trust (however, a trust's beneficiaries collectively cannot be beneficial owners of more Notes than are owned by the trust). The death of a beneficiary of a trust will be deemed the death of the beneficial owner of the Notes (or relevant portion thereof) beneficially owned by the trust to the extent of that beneficiary's interest in the trust. The death of an individual who was a tenant by the entirety or joint tenant in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust. The death of an individual who was a tenant in common in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust only with respect to the deceased holder's beneficial interest in the Note, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficiary of the trust.
  - The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interest in a Note (or a portion thereof) will be deemed the death of the beneficial owner of that Note (or relevant portion thereof), regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of the Indenture Trustee. Such beneficial interest will exist in many cases of street name or nominee ownership, custodial arrangements, ownership by a trustee, ownership under the Uniform Transfers of Gifts to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will be evidenced by such factors as the power to sell or otherwise dispose of a Note, the right to receive the proceeds of sale or disposition and the right to receive interest and principal



payments on a Note.

2. Indicate the name of the Deceased Beneficial Owner on line (1).

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3. Indicate the date of death of the Deceased Beneficial Owner on line (2).
4. Indicate the name of the Authorized Representative requesting repayment on line (3).
5. Affix the authorized signature of the Authorized Representative on line (4).
6. Indicate the principal amount of Notes to be repaid on line (5).
7. Indicate the date this Form was completed on line (6).
8. Indicate the name, mailing address (no P.O. boxes, please), telephone number and facsimile-transmission number of the party to whom the acknowledgment of this election may be sent in item (7).
9. Indicate the wire instruction for payment on line (8).
10. Leave lines (A), (B), (C), (D), (E) and (F) blank.
11. Mail or otherwise deliver an original copy of the completed Form to:

J.P. Morgan Trust Company, National Association  
[201 North Central Avenue  
Phoenix, Arizona 85004]

12. FACSIMILE TRANSMISSIONS OF THE REPAYMENT ELECTION FORM WILL NOT BE ACCEPTED.
13. If the acknowledgement of the Indenture Trustee's receipt of this Form, including the assigned Election Number, is not received within 10 days of the date such information is sent to the Trustee, contact the Trustee at J.P. Morgan Trust Company, National Association, [201 North Central Avenue, Phoenix, Arizona 85004].
14. For assistance with this Form or any questions relating thereto, please contact the Trustee at J.P. Morgan Trust Company, National Association, [201 North Central Avenue, Phoenix, Arizona 85004].

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FORM OF SERIES INSTRUMENT

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WHEREAS, the parties named herein desire to enter into certain documents relating to the issuance by Allstate Life Global Funding Trust [ ] - [ ] (the "Trust") of Notes to investors under Allstate Life Global Funding's ("Global Funding") secured medium term notes program;

WHEREAS, the Trust will be created under and its activities will be governed by (i) the provisions of the Trust Agreement (set forth in Part A of this Series Instrument), dated as of the date of the Pricing Supplement (attached to this Series Instrument as Annex A) (the "Pricing Supplement"), between the parties thereto indicated in Part G herein, and (ii) the Certificate of Trust (attached as Exhibit F to this Series Instrument);

WHEREAS, the Trust will be administered pursuant to the provisions of the Administrative Services Agreement (set forth in Part B of this Series Instrument), dated as of the date of the Pricing Supplement, between the parties thereto indicated in Part G herein;

WHEREAS, certain costs and expenses of the Trust and the service providers to the Trust will be paid pursuant to the Support and Expenses Agreement (set forth in Part C of this Series Instrument), dated as of the date of the Pricing Supplement, between the parties thereto indicated in Part G herein;

WHEREAS, certain licensing arrangements between the Trust and Allstate Insurance Company will be governed pursuant to the provisions of the Name Licensing Agreement (set forth in Part D of this Series Instrument), dated as of the date of the Pricing Supplement, between the parties thereto indicated in Part G herein;

WHEREAS, the sale of the Notes will be governed by the Terms Agreement (set forth in Part E of this Series Instrument), dated as of the date of the Pricing Supplement, among the parties thereto indicated in Part G herein;

WHEREAS, certain agreements relating to the Notes and the Funding Agreement(s) are set forth in the Coordination Agreement (set forth in Part F of this Series Instrument), dated as of the date of the Pricing Supplement, among the parties thereto indicated in Part G herein;

All capitalized terms used in the above recitals and not otherwise defined will have the meanings set forth in the Standard Indenture Terms to be attached as Exhibit A to the Closing Instrument for the Trust.

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PART A  
TRUST AGREEMENT

This TRUST AGREEMENT, dated as of the date of the Pricing Supplement attached to this Series Instrument as Annex A (the "Pricing Supplement"), is entered into among Allstate Life Global Funding, a Delaware statutory trust, as trust beneficial owner (the "Trust Beneficial Owner"), AMACAR Pacific Corp., a Delaware corporation, as the sole administrator of the Trust (the "Administrator") and Wilmington Trust Company, a Delaware banking corporation, as Delaware trustee (the "Delaware Trustee").

W I T N E S S E T H:

WHEREAS, the Trust Beneficial Owner, the Administrator and the Delaware Trustee desire to authorize the issuance of Notes in connection with the entry into this Trust Agreement;

WHEREAS, all things necessary to make this Trust Agreement a valid and legally binding agreement of the Delaware Trustee, the Administrator and the Trust Beneficial Owner, enforceable in accordance with its terms, have been done;

WHEREAS, the parties intend to provide for, among other things, (i) the issuance and sale of the Notes (pursuant to the Indenture to be set forth in Part A of the Closing Instrument for the Trust and the Terms Agreement set forth in Part E herein), (ii) the use of the proceeds of the sale of the Notes to acquire a Funding Note, which will be surrendered in consideration for the Funding Agreement(s), and (iii) all other actions deemed necessary or desirable in connection with the transactions contemplated by this Trust Agreement; and

WHEREAS, the parties hereto desire to incorporate by reference the Standard Trust Agreement Terms attached to this Series Instrument as Exhibit A (the "Standard Trust Agreement Terms," together with this Trust Agreement, collectively, the "Trust Agreement").

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party hereby agrees as follows:

ARTICLE 1

Section 1.1 INCORPORATION BY REFERENCE. All terms, provisions and agreements of the Standard Trust Agreement Terms (except to the extent expressly modified herein) are hereby incorporated herein by reference with the same force and effect as though fully set forth herein. To the extent that the terms set forth in Article 2 of this Trust Agreement are inconsistent with the terms of the Standard Trust Agreement Terms, the terms set forth in Article 2 herein shall apply.

Section 1.2 DEFINITIONS. "Series Instrument" means the Series Instrument in which this Trust Agreement is included as Part A. All capitalized terms not otherwise defined in this Trust Agreement shall have the meanings set forth in the Standard Trust Agreement Terms.

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ARTICLE 2

Section 2.1 NAME. The Trust created and governed by this Trust Agreement shall have the name specified in this Series Instrument.

Section 2.2 OWNERSHIP OF THE TRUST. Upon the creation of the Trust, Global Funding shall be the sole beneficial owner of the Trust.

Section 2.3 ACKNOWLEDGMENT. The Delaware Trustee, the Trust Beneficial Owner and the Administrator expressly acknowledge their duties and obligations set forth in the Standard Trust Agreement Terms incorporated herein.

Section 2.4 COMPENSATION. The Delaware Trustee shall be entitled to receive the fees specified in the Delaware Trustee Service Fee Schedule, which is attached as Annex B to this Series Instrument.

Section 2.5 ADDITIONAL TERMS. None.

Section 2.6 SERIES INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Trust Agreement will enter into this Trust Agreement by executing this Series Instrument.

By executing this Series Instrument, the Delaware Trustee, the Administrator and the Trust Beneficial Owner hereby agree that this Trust Agreement will constitute a legal, valid and binding agreement among the Delaware Trustee, the Administrator and the Trust Beneficial Owner.

All terms relating to the Trust or the Notes not otherwise included in this Trust Agreement will be as specified in this Series Instrument or Pricing Supplement as indicated herein.

Section 2.7 COUNTERPARTS. This Trust Agreement, through this Series Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

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PART B  
ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT, dated as of the date of the Pricing Supplement attached to this Series Instrument as Annex A (the "Pricing Supplement"), is entered into between the Allstate Life Global Funding Trust specified in this Series Instrument (the "Trust") and AMACAR Pacific Corp., a Delaware corporation (the "Administrator").

W I T N E S S E T H:

WHEREAS, the Trust has requested that the Administrator perform various services for the Trust;

WHEREAS, the Trust desires to have the Administrator perform various financial, statistical, accounting and other services for the Trust, and the Administrator is willing to furnish such services on the terms and conditions herein set forth; and

WHEREAS, the parties hereto desire to incorporate by reference those certain Standard Administrative Services Agreement Terms attached to this Series Instrument as Exhibit B (the "Standard Administrative Services Agreement Terms," together with this Administrative Services Agreement, collectively, the "Administrative Services Agreement").

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party hereby agrees as follows:

ARTICLE 1

Section 1.1 INCORPORATION BY REFERENCE. All terms, provisions and agreements of the Standard Administrative Services Agreement Terms (except to the extent expressly modified herein) are hereby incorporated herein by reference with the same force and effect as though fully set forth herein. To the extent that the terms set forth in Article 2 of this Administrative Services Agreement are inconsistent with the terms of the Standard Administrative Services Agreement Terms, the terms set forth in Article 2 herein shall apply.

Section 1.2 DEFINITIONS. "Series Instrument" means the Series Instrument in which this Administrative Services Agreement is included as Part B. All capitalized terms not otherwise defined in this Administrative Services Agreement shall have the meanings set forth in the Standard Administrative Services Agreement Terms.

ARTICLE 2

Section 2.1 COMPENSATION. The Administrator shall be entitled to receive the fees specified in the Administrator Service Fee Schedule, which is attached as Annex C to this Series Instrument.

Section 2.2 ADDITIONAL TERMS. None.

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Section 2.3 SERIES INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Administrative Services Agreement will enter into this Administrative Services Agreement by executing this Series Instrument.

By executing this Series Instrument, Wilmington Trust Company (the "Delaware Trustee"), on behalf of the Trust, and the Administrator hereby agree that this Administrative Services Agreement will constitute a legal, valid and binding agreement between the Trust and the Administrator.

All terms relating to the Trust or the Notes not otherwise included in this Administrative Services Agreement will be as specified in this Series Instrument or Pricing Supplement as indicated herein.

Section 2.4 COUNTERPARTS. This Administrative Services Agreement, through this Series Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Section 2.5 THIRD PARTY BENEFICIARY. The parties hereto acknowledge that the Delaware Trustee shall be an express third party beneficiary to this Administrative Services Agreement, entitled in its own name and on its own behalf to enforce the provisions hereof against the Trust and the Administrator with respect to obligations owed to the Delaware Trustee by either the Trust or the Administrator; provided, however, that such right shall be valid only for so long as the Delaware Trustee has any outstanding obligations or potential obligations under the Trust Agreement.

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PART C  
SUPPORT AND EXPENSES AGREEMENT

This SUPPORT AND EXPENSES AGREEMENT, dated as of the date of the Pricing Supplement attached to this Series Instrument as Annex A (the "Pricing Supplement"), is entered into between Allstate Life Insurance Company, an Illinois stock life insurance company ("Allstate Life") and the Allstate Life Global Funding Trust specified in this Series Instrument (the "Trust").

W I T N E S S E T H:

WHEREAS, in consideration of the Service Providers providing services to the Trust in connection with the Program and pursuant to the agreements and other documents contained in this Series Instrument and the Closing Instrument to be executed for the Trust, under which the Service Providers will have certain duties and obligations, Allstate Life hereby agrees to the following compensation arrangements and terms of indemnity; and

WHEREAS, the parties hereto desire to incorporate by reference the Standard Support and Expenses Agreement Terms attached to this Series Instrument as Exhibit C (the "Standard Support and Expenses Agreement Terms," together with this Support and Expenses Agreement, collectively, the "Support and Expenses Agreement").

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party hereby agrees as follows:

ARTICLE 1

Section 1.1 INCORPORATION BY REFERENCE. All terms, provisions and agreements of the Standard Support and Expenses Agreement Terms (except to the extent expressly modified herein) are hereby incorporated herein by reference with the same force and effect as though fully set forth herein. To the extent that the terms set forth in Article 2 of this Support and Expenses Agreement are inconsistent with the terms of the Standard Support and Expenses Agreement Terms, the terms set forth in Article 2 herein shall apply.

Section 1.2 DEFINITIONS. "Series Instrument" means the Series Instrument in which this Support and Expenses Agreement is included as Part C. All capitalized terms not otherwise defined in this Support and Expenses Agreement shall have the meanings set forth in the Standard Support and Expenses Agreement Terms.

ARTICLE 2

Section 2.1 ADDITIONAL TERMS. None.

Section 2.2 SERIES INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Support and Expenses Agreement will enter into this Support and Expenses Agreement by executing this Series Instrument.

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By executing this Series Instrument, each party hereto agrees that this Support and Expenses Agreement will constitute a legal, valid and binding agreement by and among such parties.

All terms relating to the Trust or the Notes not otherwise included in this Support and Expenses Agreement will be as specified in this Series Instrument or Pricing Supplement as indicated herein.

Section 2.3 COUNTERPARTS. This Support and Expenses Agreement, through this Series Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

PART D  
NAME LICENSING AGREEMENT

This NAME LICENSING AGREEMENT, dated as of the date of the Pricing Supplement attached to this Series Instrument as Annex A (the "Pricing Supplement"), is entered into between Allstate Insurance Company (the "Licensor"), an Illinois stock life insurance company, and the Allstate Life Global Funding Trust specified in this Series Instrument (the "Licensee").

W I T N E S S E T H:

WHEREAS, Licensor is the owner of certain tradenames, trademarks and service marks and registrations and pending applications therefor, and may acquire additional tradenames, trademarks and service marks in the future (collectively, "Licensor's Marks");

WHEREAS, Licensee desires to use certain of Licensor's Marks and use Allstate Life as part of its company name;

WHEREAS, Licensor and Licensee wish to formalize the agreement between them regarding Licensee's use of Licensor's Marks; and

WHEREAS, the parties hereto desire to incorporate by reference those certain Standard Name Licensing Agreement Terms attached to this Series Instrument as Exhibit D (the "Standard Name Licensing Agreement Terms," together with this Name Licensing Agreement, collectively, the "Name Licensing Agreement").

NOW, THEREFORE, in consideration of the mutual promises set forth in this Name Licensing Agreement and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1

Section 1.1 INCORPORATION BY REFERENCE. All terms, provisions and agreements set forth in the Standard Name Licensing Agreement Terms (except to the extent expressly modified herein) are hereby incorporated herein by reference with the same force and effect as though fully set forth herein. To the extent that the terms set forth in Article 2 of this Name Licensing Agreement are inconsistent with the terms of the Standard Name Licensing Agreement Terms, the terms set forth in Article 2 herein shall apply.

Section 1.2 DEFINITIONS. "Series Instrument" means the Series Instrument in which this Name Licensing Agreement is included as Part D. All capitalized terms not otherwise defined in this Name Licensing Agreement shall have the meanings set forth in the Standard Name Licensing Agreement Terms.

ARTICLE 2

Section 2.1 ADDITIONAL TERMS. None.

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Section 2.2 SERIES INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Name Licensing Agreement will enter into this Name Licensing Agreement by executing this Series Instrument.

By executing this Series Instrument, Licensor and the Licensee hereby agree that this Name Licensing Agreement will constitute a legal, valid and binding agreement between Licensor and the Licensee.

All terms relating to the Trust or the Notes not otherwise included in this Name Licensing Agreement will be as specified in this Series Instrument or Pricing Supplement as indicated herein.

Section 2.3 COUNTERPARTS. This Name Licensing Agreement, through this Series Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

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PART E  
TERMS AGREEMENT

This TERMS AGREEMENT (the "Terms Agreement"), dated as of the date of the Pricing Supplement attached to this Series Instrument as Annex A (the "Pricing Supplement"), is entered into among each agent specified in the Pricing Supplement (each, an "Agent"), Allstate Life Global Funding, a Delaware statutory trust ("Global Funding") and the Allstate Life Global Funding Trust

specified in this Series Instrument (the "Trust").

W I T N E S S E T H:

WHEREAS, all things necessary to make this Terms Agreement a valid and legally binding agreement of the Trust, Global Funding and the other parties to this Terms Agreement, enforceable in accordance with its terms, have been done, and the Trust proposes to do all things necessary to make the notes referred to in Section 1.4 below (the "Notes"), when executed by the Trust and authenticated and delivered pursuant hereto and the Indenture to be set forth in Part A to the Closing Instrument for the Trust, valid and legally binding obligations of the Trust as hereinafter provided; and

WHEREAS, the parties hereto desire to incorporate by reference the Distribution Agreement attached to this Series Instrument as Exhibit E (the "Distribution Agreement", together with this Terms Agreement, collectively, the "Terms Agreement").

NOW, THEREFORE, for and in consideration of the premises and the issuance of the Notes by the Trust, it is mutually agreed by the parties hereto as follows:

ARTICLE 1

Section 1.1 AGREEMENT TO BE BOUND. Global Funding, the Trust and each Agent hereby agree to be bound by all of the terms, provisions and agreements set forth herein, with respect to all matters contemplated herein, including, without limitation, those relating to the issuance of the Notes.

Section 1.2 INCORPORATION BY REFERENCE. All terms, provisions and agreements set forth in the Distribution Agreement (except to the extent expressly modified hereby) are hereby incorporated herein by reference (as if fully set forth herein). Should any portion of the Distribution Agreement conflict with the terms of this Terms Agreement, the terms of this Terms Agreement shall prevail. References herein to Sections or Exhibits shall refer respectively to the sections or exhibits of the Distribution Agreement, unless otherwise expressly provided.

Section 1.3 ADDITION OF TRUST AS PARTY TO DISTRIBUTION AGREEMENT. Pursuant to the Distribution Agreement, each of the parties hereto acknowledges and agrees that the Trust, upon execution hereof by the Trust, Global Funding and the applicable Agent(s), shall become an "Issuing Trust" for purposes of the Distribution Agreement in accordance with the terms thereof, in respect of the Notes, with all the authority, rights, powers, duties and obligations of an "Issuing Trust" under the Distribution Agreement. The Trust confirms that any agreement, covenant, acknowledgment, representation or warranty under the Distribution Agreement applicable to the Trust is made by the Trust at the date hereof, unless another time or times are

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specified in the Distribution Agreement, in which case such agreement, covenant, acknowledgment, representation or warranty shall be deemed to be confirmed by the Trust at such specified time or times.

Section 1.4 DESIGNATION OF THE TRUST AND THE NOTES. The Trust referred to in this Terms Agreement is the Allstate Life Global Funding Trust specified in this Series Instrument. The Notes issued by the Trust pursuant to the Terms Agreement shall be the notes specified in the Pricing Supplement.

Section 1.5 ADDITIONAL TERMS. None.

Section 1.6 DEFINITIONS. "Series Instrument" means the Series Instrument in which this Terms Agreement is included as Part E. All capitalized terms not otherwise defined in this Terms Agreement shall have the meanings set forth in the Distribution Agreement.

ARTICLE 2

Section 2.1 PURCHASE/SOLICITATION OF PURCHASES OF NOTES.

(1) If specified in the Pricing Supplement, the Notes are being purchased by the Agent(s) as principal. If the Notes are to be purchased by the Agent(s) as principal, the Agent(s) specified in the Pricing Supplement [severally and not jointly] agree to purchase the Notes having the terms and in the amounts specified in the Pricing Supplement.

(2) If specified in the Pricing Supplement, the Agent(s) will be acting as agent. If the Agent(s) are to solicit the purchase of the Notes acting as agents, the Agent(s) will solicit the purchase of Notes pursuant to Section 1(d) of the Distribution Agreement.

Section 2.2 FUNDING AGREEMENT. On the Original Issue Date set forth in the Pricing Supplement, Global Funding will assign absolutely to, and deposit into, the Trust the Funding Agreement(s) identified by number in the Pricing

Supplement.

Section 2.3 DEALER NOTICE INFORMATION. As specified in Annex D to this Series Instrument.

### ARTICLE 3

Section 3.1 SERIES INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Terms Agreement will enter into this Terms Agreement by executing this Series Instrument.

By executing this Series Instrument, each party hereto agrees that this Terms Agreement will constitute a legal, valid and binding agreement by and among the Trust, Allstate Life Global Funding and the Agents specified in the Pricing Supplement.

All terms relating to the Trust or the Notes not otherwise included in this Terms Agreement will be as specified in this Series Instrument or Pricing Supplement as indicated herein.

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Section 3.2 COUNTERPARTS. This Terms Agreement, through this Series Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

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### PART F COORDINATION AGREEMENT

This COORDINATION AGREEMENT (this "Coordination Agreement"), dated as of the date of the Pricing Supplement attached to this Series Instrument as Annex A (the "Pricing Supplement"), is entered into among Allstate Life Insurance Company ("Allstate Life"), Allstate Life Global Funding ("Global Funding"), J.P. Morgan Trust Company, National Association, as funding note indenture trustee (in such capacity, the "Funding Note Indenture Trustee") the Allstate Life Global Funding Trust specified in this Series Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, as indenture trustee (in such capacity, the "Indenture Trustee").

#### W I T N E S S E T H:

WHEREAS, the Trust intends to issue the Notes specified in the Pricing Supplement (the "Notes") in accordance with the Indenture to be set forth in Part A to the Closing Instrument for the Trust (the "Indenture");

WHEREAS, the Agent(s) have agreed to sell the Notes in accordance with the Purchase Agreement, the Terms Agreement and the Registration Statement;

WHEREAS, the Trust intends to purchase the Funding Note issued by Global Funding and dated as of the Original Issue Date specified in the Pricing Supplement (the "Funding Note") with the net proceeds from the sale of the Notes;

WHEREAS, Global Funding intends to sell the Funding Note to the Trust and use the proceeds therefrom to purchase the Funding Agreement(s) described in the Pricing Supplement (the "Funding Agreement(s)") from Allstate Life;

WHEREAS, Allstate Life intends to sell the Funding Agreement(s) to Global Funding in consideration for the proceeds Global Funding receives from the sale of the Funding Note;

WHEREAS, Global Funding intends to immediately pledge and collaterally assign each Funding Agreement to and grant a security interest in each Funding Agreement and the related collateral in favor of, the Funding Note Indenture Trustee to secure its obligations under the Funding Note;

WHEREAS, Global Funding intends to immediately thereafter assign absolutely to, and deposit into, the Trust the Funding Agreement(s), and the



Funding Note will be surrendered for cancellation by or on behalf of the Trust, and will be cancelled by the Funding Note Indenture Trustee, and the pledge and collateral assignment of each Funding Agreement to, and the security interest in favor of, the Funding Note Indenture Trustee will be terminated;

WHEREAS, the Trust intends to pledge and collaterally assign the Funding Agreement(s) to the Indenture Trustee to secure its obligations under the Notes; and

WHEREAS, the Trust intends to grant a security interest to the Indenture Trustee for the benefit of the Secured Parties (as defined in the Indenture).

NOW, THEREFORE, to give effect to the agreements and arrangements established under the Terms Agreement set forth in Part E of this Series Instrument, the Trust Agreement set forth in Part A of this Series Instrument, the Indenture, and the Notes, and in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party hereby agrees as follows:

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ARTICLE 1  
PURCHASE OF FUNDING NOTE

The Trust hereby agrees to purchase the Funding Note from Global Funding with the net proceeds from the sale of the Notes. Global Funding hereby agrees to sell the Funding Note to the Trust in consideration for the net proceeds from the sale of the Notes.

ARTICLE 2  
PURCHASE OF FUNDING AGREEMENT(S)

Allstate Life hereby agrees to sell the Funding Agreement(s) to Global Funding in consideration for the proceeds Global Funding receives from the sale of the Funding Note. Global Funding hereby agrees to immediately purchase the Funding Agreement(s) with the proceeds Global Funding receives from the sale of the Funding Note. Global Funding agrees to immediately pledge and collaterally assign each Funding Agreement to, and grant a security interest in each Funding Agreement and the related collateral in favor of, the Funding Note Indenture Trustee.

ARTICLE 3  
SALE OF FUNDING AGREEMENT(S);  
CANCELLATION OF FUNDING NOTE

The parties hereto agree that Global Funding will assign the Funding Agreement(s) absolutely to, and deposit, the Funding Agreement(s) into, the Trust, immediately following the pledge, collateral assignment and grant of security interest described in Article 2, and the Funding Note will be surrendered for cancellation by or on behalf of the Trust. The Trust hereby agrees to accept the Funding Agreement(s) from Global Funding in consideration for the Trust's surrender of the Funding Note. The parties hereto agree that the Funding Note shall be cancelled by the Funding Note Indenture Trustee immediately upon such surrender and the pledge and collateral assignment of each Funding Agreement to, and the security interest in favor of, the Funding Note Indenture Trustee will be terminated. Such cancellation shall operate as a redemption of the Funding Note.

ARTICLE 4  
DELIVERY OF THE FUNDING AGREEMENT(S)

The parties hereby appoint the Chicago, Illinois office of the Indenture Trustee to act as custodian for the Funding Agreement(s) (the "Collateral Custodian") in connection with (i) the sale of the Funding Agreement(s) by

Allstate Life to Global Funding and the pledge and collateral assignment of each Funding Agreement to, and the security interest in favor of, the Funding Note Indenture Trustee, pursuant to Article 2 above, (ii) the sale and deposit of the Funding Agreement(s) by Global Funding to the Trust pursuant to Article 3 above, (iii) the collateral assignment of the Funding Agreement(s) by the Trust to the Indenture Trustee and (iv) any subsequent permitted transfer of the Funding Agreement(s) by the Indenture Trustee, and in such capacity to accept and hold in its physical custody the Funding Agreement(s) in the State of Illinois until such time when the Indenture Trustee notifies the Collateral Custodian in writing to the contrary, in connection with the release of the Funding Agreement(s) in accordance with the terms of the Indenture or upon the occurrence and during the continuation of an Event of Default (as defined in the Standard Indenture Terms to be attached as Exhibit A to the Closing Instrument for the Trust) whereupon such physical custody and possession of the Funding Agreement(s) will be transferred to the Indenture Trustee or another person in the manner directed by the Indenture Trustee. The Indenture Trustee, acting through its Chicago, Illinois office, hereby accepts such appointment and agrees to perform all of its obligations in its capacity as Collateral Custodian for the Funding Agreement(s).

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#### ARTICLE 5 PERIODIC PAYMENTS; MATURITY

Section 5.1 DIRECTIONS REGARDING PERIODIC PAYMENTS. As registered owner of the Funding Agreement(s) as collateral securing payments on the Notes, following the pledge and collateral assignment of the Funding Agreement(s) by the Trust to the Indenture Trustee, the Indenture Trustee will receive payments on the Funding Agreement(s) on behalf of the Trust. The Trust hereby directs the Indenture Trustee to use such funds to make payments on behalf of the Trust pursuant to the Trust Agreement and the Indenture.

#### Section 5.2 AMENDMENT TO DIRECTIONS.

(a) The Trust may, at any time and at its sole discretion, amend the directions set forth in Section 5.1 in accordance with the Trust Agreement and the Indenture.

(b) Any notice to a payor of the change in identity of any payee or the appointment of any successor payee, which notice is acknowledged by the Trust, shall be deemed to be an amendment to these directions which replaces such new payee for the payee named in these directions.

Section 5.3 MATURITY OF THE FUNDING AGREEMENT(S). Upon the maturity of the Funding Agreement(s) and the return of funds thereunder, the Trust hereby directs the Indenture Trustee to set aside from such funds an amount sufficient for the repayment of the outstanding principal on the Notes when due.

#### ARTICLE 6 MISCELLANEOUS

Section 6.1 NO ADDITIONAL LIABILITY. Nothing in this Coordination Agreement shall impose any liability or obligation on the part of any party to this Coordination Agreement to make any payment or disbursement in addition to any liability or obligation such party has under the other documents related to the Programs (the "Program Documents"), except to the extent that a party has actually received funds which it is obligated to disburse pursuant to this Coordination Agreement.

Section 6.2 NO CONFLICT. This Coordination Agreement is intended to be in furtherance of the agreements reflected in the Program Documents, and not in conflict. To the extent that a provision of this Coordination Agreement conflicts with the provisions of one or more Program Documents, the provisions of such documents shall govern.

Section 6.3 GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, this Coordination Agreement shall be governed by and construed in accordance with, the laws of the State

Section 6.4 DEFINITIONS. "Series Instrument" means the Series Instrument in which this Coordination Agreement is included as Part F. All capitalized terms not otherwise defined in this Coordination Agreement shall have the meanings set forth in the Distribution Agreement.

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Section 6.5 SEVERABILITY. If any provision of this Coordination Agreement shall be invalid, illegal or unenforceable, such provisions shall be deemed severable from the remaining provisions of this Coordination Agreement and shall in no way affect the validity or enforceability of such other provisions of this Coordination Agreement.

Section 6.6 COUNTERPARTS. This Coordination Agreement, through this Series Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Section 6.7 NOTICES. All demands, notices and communications under this Coordination Agreement shall be in writing and shall be deemed to have been duly given upon receipt at the addresses set forth below:

if to Allstate Life, at

Allstate Life Insurance Company  
3100 Sanders Road  
Northbrook, IL 60062  
Attention: Secretary

if to Global Funding, at

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, NC 28211  
Attention: President

if to the Funding Note Indenture Trustee, at

J.P. Morgan Trust Company, National Association  
201 North Central Avenue  
Phoenix, AZ 85004  
Attention: Global Corporate Trust Services Division

if to the Trust, at

Allstate Life Global Funding Trust  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, NC 28211  
Attention: President

if to the Indenture Trustee, at

J.P. Morgan Trust Company, National Association  
201 North Central Avenue  
Phoenix, AZ 85004  
Attention: Global Corporate Trust Services Division

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or at such other address as shall be designated by any such party in a written notice to the other parties.

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PART G  
MISCELLANEOUS AND EXECUTION PAGES

This Series Instrument may be executed by each of the parties hereto in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute

but one and the same instrument. Facsimile signatures shall be deemed original signatures.

Each signatory, by its execution hereof, does hereby become a party to, or executes, each of the agreements and certificates identified below for such signatory as of the date specified in such agreements and certificates.

It is expressly understood and agreed by the parties that (a) Wilmington Trust Company (the "Delaware Trustee") is hereby instructed by Global Funding and the Trust to execute this Series Instrument on their behalf, (b) this Series Instrument is executed and delivered by the Delaware Trustee, 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 set forth in Part A herein (the "Trust Agreement"), (c) each of the representations, undertakings and agreements made on the part of the Trust in this Series Instrument is made and intended not as personal representations, undertakings and agreements by the Delaware Trustee but is made and intended for the purpose of binding only the Trust, (d) nothing contained herein shall be construed as creating any liability on the Delaware Trustee 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 (e) under no circumstances shall the Delaware Trustee be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for any breach or failure of any obligation, representation, warranty or covenant to be made or undertaken by the Trust under the Indenture to be set forth in Part A to the Closing Instrument for the Trust or any other related documents; provided, however, that such waiver shall not affect the liability of the Delaware Trustee (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.

IN WITNESS WHEREOF, the undersigned have executed this Series Instrument.

ALLSTATE INSURANCE COMPANY (for purposes of the Name Licensing Agreement set forth in Part D herein)

By: -----  
Name:  
Title:

ALLSTATE LIFE INSURANCE COMPANY (for purposes of (i) the Support and Expenses Agreement set forth in Part C herein and (ii) the Coordination Agreement set forth in Part F herein)

By: -----  
Name:  
Title:

ALLSTATE LIFE GLOBAL FUNDING (for purposes of (i) the Trust Agreement set forth in Part A herein, (ii) the Terms Agreement set forth in Part E herein and (iii) the Coordination Agreement set forth in Part F herein)

By: Wilmington Trust Company, solely in its capacity as Delaware Trustee

By: -----  
Name:  
Title:

THE ALLSTATE LIFE GLOBAL FUNDING TRUST SPECIFIED ABOVE (for purposes of (i) the Administrative Services Agreement set forth in Part B herein, (ii) the Support and Expenses Agreement set forth in Part C herein, (iii) the Name Licensing Agreement set forth in Part D herein, (iv) the Terms Agreement set forth in Part E herein and (v) the Coordination Agreement set forth in Part F herein)

By: Wilmington Trust Company, solely in its capacity as Delaware Trustee

By:

-----  
Name:  
Title:

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WILMINGTON TRUST COMPANY (for purposes of the Trust Agreement set forth in Part A herein as Delaware Trustee)

By:

-----  
Name:  
Title:

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION (for purposes of the Coordination Agreement set forth in Part F herein, as Funding Note Indenture Trustee, and as Indenture Trustee)

By:

-----  
Name:  
Title:

AMACAR Pacific Corp. (for purposes of (i) the Trust Agreement set forth in Part A herein and (ii) the Administrative Services Agreement set forth in Part B herein as Administrator)

By:

-----  
Name:  
Title:

[MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED] (for purposes of the Terms Agreement set forth in Part E herein)

By:

-----  
Name:  
Title:

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EXHIBIT A

STANDARD TRUST AGREEMENT TERMS

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EXHIBIT B

STANDARD ADMINISTRATIVE SERVICES AGREEMENT TERMS

B-1

EXHIBIT C

STANDARD SUPPORT AND EXPENSES AGREEMENT TERMS

C-1

EXHIBIT D

STANDARD NAME LICENSING AGREEMENT TERMS

D-1

EXHIBIT E

DISTRIBUTION AGREEMENT

EXHIBIT F

CERTIFICATE OF TRUST

F-1

ANNEX A

PRICING SUPPLEMENT

[PRICING SUPPLEMENT FOR SECURED MEDIUM TERM NOTES PROGRAM]

Filed pursuant to Rule 424(b)( )
Registration Statement No. 333-112249
Pricing Supplement No. Dated , 200\_
(To Prospectus dated , 2004, and
Prospectus Supplement dated , 2004)
CUSIP: \_\_\_\_\_

[ALLSTATE LOGO]

ALLSTATE LIFE GLOBAL FUNDING
SECURED MEDIUM TERM NOTES
ISSUED THROUGH

ALLSTATE LIFE GLOBAL FUNDING TRUST [ ] - [ ] (THE "TRUST")

The description in this pricing supplement of the particular terms of the Secured Medium Term Notes offered hereby supplements the description of the general terms and provisions of the notes set forth in the accompanying prospectus and prospectus supplement, to which reference is hereby made.

Principal Amount: Agent(s) Discount:
Issue Price: Original Issue Date:
Net Proceeds to the Trust: Stated Maturity Date:
Funding Agreement Number(s): Funding Note Number:
Specified Currency: Trust Expiration Date:
Interest Payment Dates: Depository:
Initial Interest Payment Date:
Regular Record Date: [15 calendar days prior to the Interest Payment Date]
Type of Interest Rate: / / Fixed Rate / / Floating Rate
Fixed Rate Notes: / / Yes / / No. If, Yes,
Interest Rate:
Floating Rate Notes: / / Yes / / No. If, Yes,
Regular Floating Rate Notes: / / Yes / / No. If, Yes,
Interest Rate:
Interest Rate Basis(es):
Floating Rate/Fixed Rate Note: / / Yes / / No. If, Yes,
Floating Interest Rate:

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Interest Rate Basis(es):
Fixed Interest Rate:
Fixed Rate Commencement Date:

Inverse Floating Rate Note: / / Yes / / No. If, Yes,
Fixed Interest Rate:
Floating Interest Rate:
Interest Rate Basis(es):

Initial Interest Rate\*, if any:

Initial Interest Reset Date:

Interest Rate Basis(es). Check all that apply:

/ / CD Rate	/ / Commercial Paper Rate
/ / CMT Rate	/ / Eleventh District Cost of Funds Rate
/ / LIBOR	/ / Federal Funds Rate
/ / EURIBOR	/ / Treasury Rate
/ / Prime Rate	/ / Other (See Attached)

If LIBOR:

/ / LIBOR Reuters Page	/ / LIBOR Moneyline Telerate Page
------------------------	-----------------------------------

LIBOR Currency:

If CMT Rate:

Designated CMT Telerate Page:	
If 7052:	/ / Weekly Average
	/ / Monthly Average

Designated CMT Maturity Index:

Index Maturity:

Spread (+/-):

Spread Multiplier:

Interest Reset Date(s):

Interest Rate Determination Date(s):

Maximum Interest Rate, if any:

Minimum Interest Rate, if any;

- - - - -

\* From the Original Issue Date to the Initial Interest Payment Date, the Initial Interest Rate shall be deemed to be:

/ / CD Rate	/ / Commercial Paper Rate
/ / CMT Rate	/ / Eleventh District Cost of Funds Rate
/ / LIBOR	/ / Federal Funds Rate
/ / EURIBOR	/ / Treasury Rate
/ / Prime Rate	/ / Other (See Attached)

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Calculation Agent:	[J.P. Morgan Trust Company, National Association]
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Exchange Rate Agent:

Computation of Interest (not applicable unless different than as specified in the prospectus and prospectus supplement):

Day Count Convention (not applicable unless different than as specified in the prospectus and prospectus supplement):

Amortizing Note:	/ / Yes / / No. If, Yes,
Amortizing Schedule:	
Additional/Other Terms:	

Discount Note:	/ / Yes / / No. If, Yes,
Total Amount of Discount:	
Initial Accrual Period of Discount:	
Additional/Other Terms:	

Redemption Provisions:	/ / Yes / / No. If, Yes,
Initial Redemption Date:	
Initial Redemption Percentage:	
Annual Redemption Percentage Reduction (if any):	
Redemption:	/ / In whole only and not in part
	/ / May be in whole or in part
Additional/Other Terms:	

Repayment: / / Yes / / No. If, Yes,  
Repayment Date(s):  
Repayment Price:  
Repayment: / / In whole only and not in part  
/ / May be in whole or in part

Additional/Other Terms:

Sinking Fund (not applicable unless specified):

Additional Amounts to be Paid for Withholding Tax (not applicable unless specified):

Securities Exchange Listing: / / Yes / / No. If Yes, Name of Exchange:\_\_\_\_\_

Authorized Denominations: [\$1,000]

Ratings:

The Notes issued under the Program are rated \_\_\_\_\_ by Standard & Poor's ("S&P"). Allstate Life anticipates Moody's Investors Service, Inc. ("Moody's") to rate the Notes \_\_\_\_\_ at the Original Issue Date.

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Agent(s) Purchasing Notes as Principal: / / Yes / / No. If Yes,  
Agent(s) Principal Amount  
Total: \_\_\_\_\_

Agent(s) Acting as Agent: / / Yes / / No. If Yes,  
Agent(s) Principal Amount  
Total: \_\_\_\_\_

Additional/Other Terms:

Special Tax Considerations:

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[PRICING SUPPLEMENT FOR  
ALLSTATE LIFE(SM) CORENOTES(SM) PROGRAM]

Filed pursuant to Rule 424(b)( )  
Registration Statement No. 333-112249  
Pricing Supplement No. \_\_\_ Dated \_\_\_\_\_, 200\_\_  
(To Prospectus dated \_\_\_\_\_, 2004, and  
Prospectus Supplement dated \_\_\_\_\_, 2004)  
CUSIP: \_\_\_\_\_

[ALLSTATE LOGO]

ALLSTATE LIFE GLOBAL FUNDING  
ISSUED THROUGH  
ALLSTATE LIFE GLOBAL FUNDING TRUST [ ] - [ ] (THE "TRUST")

The description in this pricing supplement of the particular terms of the Allstate Life(SM) CoreNotes(SM) offered hereby supplements the description of the general terms and provisions of the notes set forth in the accompanying prospectus and prospectus supplement, to which reference is hereby made.

Principal Amount: Agent(s) Discount:  
Issue Price: Original Issue Date:  
Net Proceeds to the Trust: Stated Maturity Date:  
Funding Agreement Number(s): Funding Note Number:  
Interest Payment Dates: Trust Expiration Date:



Initial Interest Payment Date: Depository:  
Regular Record Date: [15 calendar days prior to the Interest Payment Date]  
Type of Interest Rate: / / Fixed Rate / / Floating Rate  
Fixed Rate Notes: / / Yes / / No. If, Yes,  
Interest Rate:  
Floating Rate Notes: / / Yes / / No. If, Yes,  
Regular Floating Rate Notes: / / Yes / / No. If, Yes,  
Interest Rate:  
Interest Rate Basis(es):  
Floating Rate/Fixed Rate Note: / / Yes / / No. If, Yes,  
Floating Interest Rate:  
Interest Rate Basis(es):  
Fixed Interest Rate:  
Fixed Rate Commencement Date:

- - - - -  
"Allstate Life(SM)" is a registered servicemark of Allstate Insurance Company.  
"CoreNotes(SM)" is a servicemark of Merrill Lynch & Co., Inc.

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Initial Interest Rate\*, if any:  
Initial Interest Reset Date:

Interest Rate Basis(es). Check all that apply:  
/ / CD Rate / / CMT Rate  
/ / Commercial Paper Rate / / LIBOR  
/ / Treasury Rate / / Prime Rate  
/ / Federal Funds Rate / / Other (See Attached)

If LIBOR:  
/ / LIBOR Reuters Page / / LIBOR Moneyline Telerate Page

LIBOR Currency:  
If CMT Rate:  
Designated CMT Telerate Page:  
If 7052: / / Weekly Average  
/ / Monthly Average  
Designated CMT Maturity Index:

Index Maturity:  
Spread (+/-):  
Spread Multiplier:  
Interest Reset Date(s):  
Interest Rate Determination Date(s):  
Maximum Interest Rate, if any:  
Minimum Interest Rate, if any;

Calculation Agent: [J.P. Morgan Trust Company, National Association]

Computation of Interest (not applicable unless different than as specified in the prospectus and prospectus supplement):  
Day Count Convention (not applicable unless different than as specified in the prospectus and prospectus supplement):

- - - - -  
\* From the Original Issue Date to the Initial Interest Payment Date, the Initial Interest Rate shall be deemed to be:

/ / CD Rate / / CMT Rate  
/ / Commercial Paper Rate / / LIBOR

// Treasury Rate  
// Federal Funds Rate

// Prime Rate  
// Other (See Attached)

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Discount Note: // Yes // No. If, Yes,  
Total Amount of Discount:  
Initial Accrual Period of Discount:  
Additional/Other Terms:

Terms of Survivor's Option:  
Annual Put Limitation: // \$2,000,000 or 2%; or  
// \$\_\_\_\_\_ or \_\_\_\_%  
Individual Put Limitation: // \$250,000; or  
// \$\_\_\_\_\_  
Trust Put Limitation: // \_\_\_\_\_

Redemption Provisions: // Yes // No. If, Yes,  
Initial Redemption Date:  
Redemption: // In whole only and not in part  
// May be in whole or in part  
Additional Other Terms:

Sinking Fund (not applicable unless specified):

Securities Exchange Listing: // Yes // No. If Yes, Name of Exchange:\_\_\_\_\_

Authorized Denominations: [\$1,000]

Ratings:

The Notes issued under the Program are rated \_\_\_\_\_ by Standard & Poor's ("S&P"). Allstate Life anticipates Moody's Investors Service, Inc. ("Moody's") to rate the Notes \_\_\_ at the Original Issue Date.

Agent(s) Purchasing Notes as Principal: // Yes // No. If Yes,  
Agent(s) Principal Amount  
Total: \_\_\_\_\_

Agent(s) Acting as Agent: // Yes // No. If Yes,  
Agent(s) Principal Amount  
Total: \_\_\_\_\_

Additional/Other Terms:

Special Tax Considerations:

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ANNEX B

DELAWARE TRUSTEE SERVICE FEE SCHEDULE

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ANNEX C

ADMINISTRATOR SERVICE FEE SCHEDULE

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ANNEX D

DEALER NOTICE INFORMATION

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FORM OF CLOSING INSTRUMENT

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WHEREAS, the parties named herein desire to enter into certain documents relating to the issuance by Allstate Life Global Funding Trust [ ] - [ ] (the "Trust") of Notes to investors under Allstate Life Global Funding's ("Global Funding") secured medium term notes program;

WHEREAS, the Notes will be issued pursuant to the Indenture (set forth in Part A herein), dated as of the Original Issue Date specified in the Pricing Supplement (the "Original Issue Date"), between the parties thereto indicated in Part X herein;

WHEREAS, the Funding Note will be issued pursuant to the Funding Note Indenture (set forth in Part B herein), dated as of the Original Issue Date, between the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to the assignment of the Funding Agreement(s) by Global Funding to J.P. Morgan Trust Company, National Association, as funding note indenture trustee (the "Funding Note Indenture Trustee") are set forth in the Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee (set forth in Part C herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to Allstate Life Insurance Company's ("Allstate Life") acknowledgement of the assignment of the Funding Agreement(s) from Global Funding to the Funding Note Indenture Trustee are set forth in the Acknowledgement of Funding Agreement(s) Assignment to the Funding Note Indenture Trustee (set forth in Part D herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to the transfer of the Funding Agreement(s) by the Funding Note Indenture Trustee to Global Funding are set forth in the Termination of Security Interest and Transfer of Funding Agreement(s) to Global Funding (set forth in Part E herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to Allstate Life's acknowledgement of the transfer of the Funding Agreement(s) from the Funding Note Indenture Trustee to Global Funding are set forth in the Acknowledgement of Termination of Security Interest and Transfer of Funding Agreement(s) (set forth in Part F herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to the transfer of the Funding Agreement(s) by Global Funding to the Trust are set forth in the Assignment of Funding Agreement(s) to the Trust (set forth in Part G herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to Allstate Life's acknowledgement of the transfer of the Funding Agreement(s) from Global Funding to the Trust are set forth in the Acknowledgement of Funding Agreement(s) Transfer to the Trust (set forth in Part H herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to the assignment of the Funding Agreement(s) by the Trust to the Indenture Trustee are set forth in the Assignment of Funding Agreement(s) to

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the Indenture Trustee (set forth in Part I herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to Allstate Life's acknowledgement of the assignment of the Funding Agreement(s) from the Trust to the Indenture Trustee are set forth in the Acknowledgement of Assignment of Funding Agreement(s) to the Indenture Trustee (set forth in Part J herein), dated as of the Original Issue Date, among the parties thereto indicated in Part X herein;

WHEREAS, certain certifications of the Indenture Trustee concerning custody of the Funding Agreement(s) are set forth in the Certificate Regarding Custody of the Funding Agreement(s) (set forth in Part K herein), dated as of the Original Issue Date;

WHEREAS, certain instructions of the Trust relating to the authentication, registration, acceptance and retention of the certificate(s) representing the Notes are set forth in the Instructions of the Trust (set forth in Part L herein), dated as of the Original Issue Date, between the parties thereto indicated in Part X herein;

WHEREAS, certain arrangements relating to Allstate Life's acknowledgement of the receipt, authentication, acceptance and retention of the certificate(s) representing the Notes are set forth in the Acknowledgment of Indenture Trustee Concerning the Note Certificate (set forth in Part M herein), dated as of the Original Issue Date;

WHEREAS, certain arrangements relating to the Indenture Trustee's acknowledgement of the receipt and retention of the Funding Agreement(s) are set forth in the Certificate of Indenture Trustee Concerning the Funding Agreement(s) (set forth in Part N herein), dated as of the Original Issue Date;

WHEREAS, certain certifications of Global Funding pursuant to the Distribution Agreement are set forth in the Certificate of Global Funding Pursuant to Section 6(c) of the Distribution Agreement (set forth in Part O herein), dated as of the Original Issue Date;

WHEREAS, certain certifications of Allstate Life pursuant to the Distribution Agreement are set forth in the Officer's Certificate of Allstate Life Insurance Company Pursuant to Section 6(d) of the Distribution Agreement (set forth in Part P herein), dated as of the Original Issue Date;

WHEREAS, certain certifications of the Secretary of Allstate Life are set forth in the Secretary's Certificate of Allstate Life Insurance Company (set forth in Part Q herein), dated as of the Original Issue Date;

WHEREAS, certain certifications of the Indenture Trustee concerning corporate matters are set forth in the Certificate of Indenture Trustee Concerning Corporate Matters (set forth in Part R herein), dated as of the Original Issue Date;

WHEREAS, certain certifications of AMACAR Pacific Corp. are set forth in the Certificate of AMACAR Pacific Corp. (set forth in Part S herein), dated as of the Original Issue Date;

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WHEREAS, the acknowledgments of the cross-receipt between the Trust and the Agent(s) are set forth in the Cross-Receipt between the Trust and the Agent(s) (set forth in Part T herein), dated as of the Original Issue Date;

WHEREAS, the acknowledgments of the cross-receipt between the Trust and Global Funding are set forth in the Cross-Receipt between the Trust and Global Funding (set forth in Part U herein), dated as of the Original Issue Date;

WHEREAS, the acknowledgments of the cross-receipt between Global Funding and Allstate Life are set forth in the Cross-Receipt between Global Funding and Allstate Life (set forth in Part V herein), dated as of the Original Issue Date; and

WHEREAS, the acknowledgments of the cross-receipt between Global Funding and the Trust are set forth in the Cross-Receipt between Global Funding and the Trust (set forth in Part W herein), dated as of the Original Issue Date.

All capitalized terms used in the above recitals and not otherwise defined will have the meanings set forth in the Standard Indenture Terms attached to this Closing Instrument as Exhibit A.

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#### PART A INDENTURE

This INDENTURE (together with the Standard Indenture Terms (as defined below), the "Indenture") is entered into as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A (the "Pricing Supplement"), between the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, as indenture trustee (the "Indenture Trustee").

J.P. Morgan Trust Company, National Association in its capacity as Indenture Trustee, hereby accepts its role as Registrar, Paying Agent and Calculation Agent hereunder.

References herein to "Indenture Trustee," "Registrar," "Paying Agent" or "Calculation Agent" shall include the permitted successors and assigns of any such entity from time to time.

#### W I T N E S S E T H:

WHEREAS, the Trust has duly authorized the execution and delivery of this Indenture to provide for the issuance of the secured notes referred to in Section 2.2 below (the "Notes");

WHEREAS, all things necessary to make this Indenture a valid and legally binding agreement of the Trust and the other parties to this Indenture, enforceable in accordance with its terms, have been done, and the Trust proposes to do all things necessary to make the Notes, when executed by the Trust and authenticated and delivered pursuant hereto, valid and legally binding obligations of the Trust as hereinafter provided; and

WHEREAS, the parties hereto desire to incorporate by reference those certain Standard Indenture Terms attached to this Closing Instrument as Exhibit A (the "Standard Indenture Terms").

NOW, THEREFORE, for and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed by the parties hereto as follows:

#### ARTICLE 1

Section 1.1 INCORPORATION BY REFERENCE. All terms, provisions and agreements set forth in the Standard Indenture Terms (except to the extent expressly modified hereby) are hereby incorporated herein by reference (as if fully set forth herein). Should any portion of the Standard Indenture Terms

conflict with the terms of this Indenture, the terms of this Indenture shall prevail. References herein to Articles, Sections or Exhibits shall refer respectively to the articles, sections or exhibits of the Standard Indenture Terms, unless otherwise expressly provided.

Section 1.2 DEFINITIONS. "Closing Instrument" means the Closing Instrument in which this Indenture is included as Part A. All capitalized terms not otherwise defined in this Indenture shall have the meanings set forth in the Standard Indenture Terms.

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## ARTICLE 2

Section 2.1 AGREEMENT TO BE BOUND. Each of the Trust, the Indenture Trustee, the Registrar, the Paying Agent and the Calculation Agent hereby agrees to be bound by all of the terms, provisions and agreements set forth herein, with respect to all matters contemplated herein, including, without limitation, those relating to the issuance of the Notes.

Section 2.2 DESIGNATION OF THE TRUST AND THE NOTES. The Trust referred to in this Indenture is the Allstate Life Global Funding Trust specified in this Closing Instrument. The Notes issued by the Trust and governed by this Indenture shall be the Notes specified in the Pricing Supplement.

Section 2.3 COMPENSATION. The Indenture Trustee shall be entitled to receive the fees specified in the Indenture Trustee Service Fee Schedule, which is attached as Annex A to this Closing Instrument.

Section 2.4 ADDITIONAL TERMS. None.

Section 2.5 CLOSING INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Indenture will enter into this Indenture by executing this Closing Instrument.

By executing the signature page thereto, the Indenture Trustee and the Trust hereby agree that this Indenture will constitute a legal, valid and binding agreement between the Indenture Trustee and the Trust.

All terms relating to the Trust or the Notes not otherwise included in this Indenture will be as specified in this Closing Instrument or the Pricing Supplement, as indicated herein.

Section 2.6 COUNTERPARTS. This Indenture, through this Closing Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

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## PART B FUNDING NOTE INDENTURE

This FUNDING NOTE INDENTURE (together with the Standard Funding Note Indenture Terms (as defined below), the "Funding Note Indenture") is entered into as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A (the "Pricing Supplement"), between Allstate Life Global Funding ("Global Funding") and J.P. Morgan Trust Company, National Association, as funding note indenture trustee (the "Funding Note Indenture Trustee").

J.P. Morgan Trust Company, National Association in its capacity as Funding Note Indenture Trustee, hereby accepts its role as Funding Note Registrar, Funding Note Paying Agent and Funding Note Calculation Agent hereunder.

References herein to "Funding Note Indenture Trustee," "Funding Note Registrar," "Funding Note Paying Agent" or "Funding Note Calculation Agent" shall include the permitted successors and assigns of any such entity from time to time.

### W I T N E S S E T H:

WHEREAS, Global Funding has duly authorized the execution and delivery of this Funding Note Indenture to provide for the issuance of the funding note referred to in Section 2.2 below (the "Funding Note");

WHEREAS, all things necessary to make this Funding Note Indenture a valid and legally binding agreement of Global Funding and the other parties to this Funding Note Indenture, enforceable in accordance with its terms, have been done, and Global Funding proposes to do all things necessary to make the Funding Note, when executed by Global Funding and authenticated and delivered pursuant hereto, valid and legally binding obligations of Global Funding as hereinafter provided; and

WHEREAS, the parties hereto desire to incorporate by reference those certain Standard Funding Note Indenture Terms attached to this Closing Instrument as Exhibit B (the "Standard Funding Note Indenture Terms").

NOW, THEREFORE, for and in consideration of the premises and the purchase of the Funding Note by the Holder thereof, it is mutually covenanted and agreed by the parties hereto as follows:

#### ARTICLE 1

Section 1.1 INCORPORATION BY REFERENCE. All terms, provisions and agreements set forth in the Standard Funding Note Indenture Terms (except to the extent expressly modified hereby) are hereby incorporated herein by reference (as if fully set forth herein). Should any portion of the Standard Funding Note Indenture Terms conflict with the terms of this Funding Note Indenture, the terms of this Funding Note Indenture shall prevail. References herein to Articles, Sections or Exhibits shall refer respectively to the articles, sections or exhibits of the Standard Funding Note Indenture Terms, unless otherwise expressly provided.

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Section 1.2 DEFINITIONS. "Closing Instrument" means the Closing Instrument in which this Funding Note Indenture is included as Part B. All capitalized terms not otherwise defined in this Funding Note Indenture shall have the meanings set forth in the Standard Funding Note Indenture Terms.

#### ARTICLE 2

Section 2.1 AGREEMENT TO BE BOUND. Each of Global Funding, the Funding Note Indenture Trustee, the Funding Note Registrar, the Funding Note Paying Agent and the Funding Note Calculation Agent hereby agrees to be bound by all of the terms, provisions and agreements set forth herein, with respect to all matters contemplated herein, including, without limitation, those relating to the issuance of the Funding Note.

Section 2.2 ADDITIONAL TERMS. None.

Section 2.3 CLOSING INSTRUMENT; EXECUTION AND INCORPORATION OF TERMS. The parties to this Funding Note Indenture will enter into this Funding Note Indenture by executing this Closing Instrument.

By executing the signature page thereto, the Funding Note Indenture Trustee and Global Funding hereby agree that this Funding Note Indenture will constitute a legal, valid and binding agreement between the Funding Note Indenture Trustee and Global Funding.

All terms relating to Global Funding or the Funding Note not otherwise included in this Funding Note Indenture will be as specified in this Closing Instrument.

Section 2.4 COUNTERPARTS. This Funding Note Indenture, through this Closing Instrument, may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

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#### PART C ASSIGNMENT OF FUNDING AGREEMENT(S) TO THE FUNDING NOTE INDENTURE TRUSTEE

With respect to the Funding Note Indenture set forth in Part B of this Closing Instrument (the "Funding Note Indenture") between Allstate Life Global Funding ("Global Funding") and J.P. Morgan Trust Company, National Association, as funding note indenture trustee (the "Funding Note Indenture Trustee") and in furtherance of the grant to the Funding Note Indenture Trustee for the benefit and security of each Holder of the Funding Note, subject to its right to assign the Funding Agreement(s) to the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") in accordance with the terms of the Funding Note and the Coordination Agreement (as defined below) Global Funding hereby assigns, as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A, to the Funding Note Indenture Trustee all of its rights and interests of every nature as the Owner (as defined in the Funding Agreement(s)) under the Funding Agreement(s), attached as Exhibit C to this Closing Instrument. Global Funding hereby notifies Allstate Life Insurance Company ("Allstate Life") of the assignment of the Funding Agreement(s) to the Funding Note Indenture Trustee effected hereby and requests that Allstate Life consent to such assignment, and Allstate Life hereby gives consent to such assignment.

Each of Global Funding, the Funding Note Indenture Trustee and Allstate Life hereby agrees that, upon giving effect to the assignment described above (the "Assignment"), the Funding Note Indenture Trustee shall be a party to and

the "Owner" under the Funding Agreement(s) and shall be the assignee of the rights and interests of Global Funding under the Funding Agreement(s).

The Funding Note Indenture Trustee hereby represents and covenants that the Funding Agreement(s) will be held by the Funding Note Indenture Trustee at its registered office in Chicago, Illinois.

Each of Global Funding, the Funding Note Indenture Trustee and Allstate Life hereby agrees that the Assignment shall not be effective until the conditions precedent to assignment set forth in Section 5 of the Funding Agreement(s) (other than the giving by Allstate Life of its consent to this Assignment) have been complied with by Global Funding, the Funding Note Indenture Trustee and Allstate Life, as the case may be. Each of Global Funding and the Funding Note Indenture Trustee hereby undertakes to take all actions necessary to comply with such conditions, and Allstate Life hereby affirms that it will promptly change its books and records to reflect the Assignment upon receipt of documents required under the Funding Agreement(s).

Each of Global Funding, the Funding Note Indenture Trustee and Allstate Life agrees that concurrently with the assignment of the Funding Agreement(s) by Global Funding to the Trust, and the surrender and cancellation of the Funding Note, in accordance with the terms of the Funding Note and the Coordination Agreement (as defined below) the Assignment will terminate and all rights and interests of the Funding Note Indenture Trustee as a party to and the "Owner" of the Funding Agreement(s) and as the assignee of the rights and

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interests of Global Funding under the Funding Agreements will be immediately transferred by the Funding Note Indenture Trustee, and revert, to Global Funding.

The Assignment and this letter shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement").

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PART D  
ACKNOWLEDGEMENT OF ASSIGNMENT OF FUNDING AGREEMENT(S)  
TO THE FUNDING NOTE INDENTURE TRUSTEE

With respect to the Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee, set forth in Part C of this Closing Instrument (the "Assignment"), executed by Allstate Life Global Funding (the "Funding Agreement Buyer") and J.P. Morgan Trust Company, National Association (the "Funding Note Indenture Trustee"), and acknowledged by Allstate Life Insurance Company ("Allstate Life") regarding the assignment of the Funding Agreement(s), attached as Exhibit C to this Closing Instrument (the "Funding Agreement(s)"), dated as of the Original Issue Date identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust"), and in order to induce the Trust to purchase the Funding Note, and the Funding Note Indenture Trustee to accept the Funding Agreement(s) as security for Global Funding's obligations under the Funding Note, Allstate Life hereby (a) represents and warrants to the Funding Agreement Buyer and the Funding Note Indenture Trustee that (i) it has changed its books and records to reflect the Assignment as required by Section 5 of the Funding Agreement(s), (ii) all other conditions precedent to the Assignment set forth in Section 5 of the Funding Agreement(s) have been satisfied and (iii) no person or entity other than the Funding Agreement Buyer or the Funding Note Indenture Trustee has been, and no person or entity other than the Funding Note Indenture Trustee is, shown on Allstate Life's books and records as the owner of or as having any interest in the Funding Agreement(s), (b) covenants and agrees with the Funding Agreement Buyer and the Funding Note Indenture Trustee that it will not hereafter (i) consent to the transfer or assignment of the Funding Agreement(s) to any person or entity other than the Funding Agreement Buyer or the Funding Note Indenture Trustee or (ii) change its books or records to show any person or entity other than the Funding Note Indenture Trustee or the Funding Agreement Buyer, as the owner of or as having any interest in the Funding Agreement(s), except in each case pursuant to written instructions from the Funding Agreement Buyer and the Funding Note Indenture Trustee or their respective successors or as otherwise provided pursuant to the terms of the Funding Note and the Coordination Agreement (as defined below) and (c) covenants and agrees with the Funding Agreement Buyer and the Funding Note Indenture Trustee to (i) consent to any request by the Funding



Note Indenture Trustee to transfer or assign the Funding Agreement(s) to any person or entity, (ii) change its books or records to reflect any such transfer or assignment and (iii) take such other action as may be required on its part to cause the conditions precedent for such a transfer or assignment contained in Section 5 of the Funding Agreement(s) to be satisfied with respect to such transfer or assignment.

Allstate Life hereby also represents that Allstate Life did not receive any notice of any adverse claim prior to (a) its acknowledgment and consent to the Assignment or (b) taking the actions under Section 5 of the Funding Agreement(s) to effect the Assignment.

This letter agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

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All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement").

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PART E  
TERMINATION OF SECURITY INTEREST AND  
TRANSFER OF FUNDING AGREEMENT(S) TO GLOBAL FUNDING

In connection with the assignment of the Funding Agreement(s), attached as Exhibit C to this Closing Instrument, by Allstate Life Global Funding ("Global Funding") to the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust"), and the surrender and cancellation of the Funding Note, in accordance with the terms of the Funding Note and the Coordination Agreement (as defined below), Global Funding hereby certifies, and each of Global Funding and J.P. Morgan Trust Company, National Association, as funding note indenture trustee (the "Funding Note Indenture Trustee") agrees, that the Security Agreement (as defined in the Funding Note Indenture set forth in Part C of this Closing Instrument (the "Funding Note Indenture")) in the Funding Note Collateral (as defined in the Funding Note Indenture) in favor of the Funding Note Indenture Trustee has terminated and all rights to the Funding Note Collateral have reverted to Global Funding. The Funding Note Indenture Trustee hereby transfers, as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A, to Global Funding all of its rights and interests of every nature as the Owner (as defined in the Funding Agreement(s)) under the Funding Agreement(s). Global Funding and the Funding Note Indenture Trustee hereby notifies Allstate Life Insurance Company ("Allstate Life") of the termination of the Security Interest and the transfer of the Funding Agreement(s) to Global Funding effected hereby (the "Transfer") and request that Allstate Life consent to the Transfer, and Allstate Life hereby gives consent to the Transfer.

Each of the Funding Note Indenture Trustee, Global Funding and Allstate Life hereby agrees that, upon giving effect to the Transfer, Global Funding shall be a party to and the "Owner" under the Funding Agreement(s) and shall be the transferee of the rights and interests of the Funding Note Indenture Trustee under the Funding Agreement(s).

Global Funding hereby represents and covenants that the Funding Agreement(s) will be held, on its behalf, by J. P. Morgan Trust Company, National Association, as custodian, at its registered office in Chicago, Illinois.

Each of the Funding Note Indenture Trustee, Global Funding and Allstate Life hereby agrees that the Transfer shall not be effective until the conditions precedent to transfer set forth in Section 5 of the Funding Agreement(s) (other than the giving by Allstate Life of its consent to this Transfer) have been complied with by the Funding Note Indenture Trustee, Global Funding and Allstate Life, as the case may be. Each of the Funding Note Indenture Trustee and Global Funding hereby undertakes to take all actions necessary to comply with such conditions, and Allstate Life hereby affirms that it will promptly change its books and records to reflect the Transfer upon receipt of documents required under the Funding Agreement(s).

The Transfer and this letter shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

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All capitalized terms not otherwise defined herein shall have the meanings

set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement").

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PART F  
ACKNOWLEDGEMENT OF TERMINATION OF SECURITY INTEREST  
AND TRANSFER OF FUNDING AGREEMENT(S)

With respect to the Termination of Security Interest and Transfer of Funding Agreement(s) to Allstate Life Global Funding ("Global Funding"), set forth in Part E of this Closing Instrument (the "Transfer"), executed by J.P. Morgan Trust Company, National Association, as funding note indenture trustee (the "Funding Note Indenture Trustee") and Global Funding, and acknowledged by Allstate Life Insurance Company ("Allstate Life") regarding the termination of the Security Interest (as defined in the Funding Note Indenture set forth in Part C of this Closing Instrument (the "Funding Note Indenture")) in the Funding Note Collateral (as defined in the Funding Note Indenture) in favor of the Funding Note Indenture Trustee and the transfer by the Funding Note Indenture Trustee to Global Funding of the Funding Agreement(s), attached as Exhibit C to this Closing Instrument (the "Funding Agreement(s)"), dated as of the Original Issue Date identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust, Allstate Life hereby represents and warrants to the Funding Note Indenture Trustee and Global Funding that (a) it has changed its books and records to reflect the Transfer as required by Section 5 of the Funding Agreement(s), (b) all other conditions precedent to the Transfer set forth in Section 5 of the Funding Agreement(s) have been satisfied and (c) no person or entity other than Global Funding or the Funding Note Indenture Trustee has been, and no person or entity other than Global Funding is, shown on Allstate Life's books and records as the owner of or as having any interest in the Funding Agreement(s).

Allstate Life hereby also represents that Allstate Life did not receive any notice of any adverse claim prior to (a) its acknowledgment and consent to the Transfer or (b) taking the actions under Section 5 of the Funding Agreement(s) to effect the Transfer.

This letter agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust.

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PART G  
ASSIGNMENT OF FUNDING AGREEMENT(S) TO THE TRUST

With respect to (a) the Coordination Agreement among Allstate Life Insurance Company ("Allstate Life"), Allstate Life Global Funding ("Global Funding"), the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, set forth in Part F of the Series Instrument for the Trust and (b) the Terms Agreement set forth in Part E of the Series Instrument for the Trust, Global Funding hereby assigns absolutely to, and deposits into, the Trust, as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A, all of its rights and interests of every nature as the Owner (as defined in the Funding Agreement(s)) under the Funding Agreement(s), attached as Exhibit C to this Closing Instrument. Global Funding hereby notifies Allstate Life of the assignment of the Funding Agreement(s) to the Trust effected hereby and requests that Allstate Life consent to such assignment, and Allstate Life hereby gives consent to such assignment.

Each of Global Funding, the Trust and Allstate Life hereby agrees that, upon giving effect to the assignment described above (the "Assignment"), the Trust shall be a party to and the "Owner" under the Funding Agreement(s) and shall be the assignee of the rights and interests of Global Funding under the Funding Agreement(s).

The Trust hereby represents and covenants that the Funding Agreement(s) will be held, on its behalf, by J. P. Morgan Trust Company, National Association, as custodian, at its registered office in Chicago, Illinois.

Each of Global Funding, the Trust and Allstate Life hereby agrees that the Assignment shall not be effective until the conditions precedent to transfer set forth in Section 5 of the Funding Agreement(s) (other than the giving by Allstate Life of its consent to this Assignment) have been complied with by Global Funding, the Trust and Allstate Life, as the case may be. Each of Global Funding and the Trust hereby undertakes to take all actions necessary to comply with such conditions, and Allstate Life hereby affirms that it will promptly change its books and records to reflect the Assignment upon receipt of documents

required under the Funding Agreement(s).

The Assignment and this letter shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust.

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PART H  
ACKNOWLEDGEMENT OF ASSIGNMENT OF FUNDING AGREEMENT(S)  
TO THE TRUST

With respect to the Assignment of Funding Agreement(s) to the Trust, set forth in Part G of this Closing Instrument (the "Assignment"), executed by Allstate Life Global Funding ("Global Funding") and the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Funding Agreement Buyer"), and acknowledged by Allstate Life Insurance Company ("Allstate Life") regarding the assignment of the Funding Agreement(s), attached as Exhibit C to this Closing Instrument (the "Funding Agreement(s)"), dated as of the Original Issue Date identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust, and in order to induce the Funding Agreement Buyer to purchase the Funding Agreement(s), Allstate Life hereby (a) represents and warrants to Global Funding and the Funding Agreement Buyer that (i) it has changed its books and records to reflect the Assignment as required by Section 5 of the Funding Agreement(s), (ii) all other conditions precedent to the Assignment set forth in Section 5 of the Funding Agreement(s) have been satisfied and (iii) no person or entity other than the Funding Agreement Buyer, the Funding Note Indenture Trustee or Global Funding has been, and no person or entity other than the Funding Agreement Buyer is, shown on Allstate Life's books and records as the owner of or as having any interest in the Funding Agreement(s) and (b) covenants and agrees with Global Funding and the Funding Agreement Buyer that it will not hereafter (i) consent to the transfer or assignment of the Funding Agreement(s) to any person or entity other than the Funding Agreement Buyer and the Indenture Trustee or (ii) change its books or records to show any person or entity other than the Indenture Trustee as the owner of or as having any interest in the Funding Agreement(s), except in each case pursuant to written instructions from the Funding Agreement Buyer and the Indenture Trustee or its successors.

Allstate Life hereby also represents that Allstate Life did not receive any notice of any adverse claim prior to (a) its acknowledgment and consent to the Assignment or (b) taking the actions under Section 5 of the Funding Agreement(s) to effect the Assignment.

This letter agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust.

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PART I  
ASSIGNMENT OF FUNDING AGREEMENT(S)  
TO THE INDENTURE TRUSTEE

With respect to (a) the Indenture set forth in Part A of this Closing Instrument (the "Indenture") between the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, as trustee (the "Indenture Trustee") and (b) the Terms Agreement set forth in Part E of the Series Instrument for the Trust and in furtherance of the grant to the Indenture Trustee for the benefit and security of the holders of the Notes, the Trust hereby assigns, as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A, to the Indenture Trustee all of its rights and interests of every nature as the Owner (as defined in the Funding Agreement(s)) under the Funding Agreement(s), attached as Exhibit C to this Closing Instrument. The Trust hereby notifies Allstate Life Insurance Company ("Allstate Life") of the assignment of the Funding Agreement(s) to the Indenture Trustee effected hereby and requests that Allstate Life consent to such assignment, and Allstate Life hereby gives consent to such assignment.

Each of the Trust, the Indenture Trustee and Allstate Life hereby agrees that, upon giving effect to the assignment described above (the "Assignment"), the Indenture Trustee shall be a party to and the "Owner" under the Funding Agreement(s) and shall be the assignee of the rights and interests of the Trust under the Funding Agreement(s).

The Indenture Trustee hereby represents and covenants that the Funding Agreement(s) will be held by the Indenture Trustee at its registered office in Chicago, Illinois.

Each of the Trust, the Indenture Trustee and Allstate Life hereby agrees that the Assignment shall not be effective until the conditions precedent to assignment set forth in Section 5 of the Funding Agreement(s) (other than the giving by Allstate Life of its consent to this Assignment) have been complied with by the Trust, the Indenture Trustee and Allstate Life, as the case may be. Each of the Trust and the Indenture Trustee hereby undertakes to take all actions necessary to comply with such conditions, and Allstate Life hereby affirms that it will promptly change its books and records to reflect the Assignment upon receipt of documents required under the Funding Agreement(s).

The Assignment and this letter shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust.

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PART J  
ACKNOWLEDGEMENT OF ASSIGNMENT OF FUNDING AGREEMENT(S)  
TO THE INDENTURE TRUSTEE

With respect to the Assignment of Funding Agreement(s) to the Indenture Trustee, set forth in Part I of this Closing Instrument (the "Assignment"), executed by the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Funding Agreement Buyer") and J.P. Morgan Trust Company, National Association (the "Indenture Trustee"), and acknowledged by Allstate Life Insurance Company ("Allstate Life") regarding the assignment of the Funding Agreement(s), attached as Exhibit C to this Closing Instrument (the "Funding Agreement(s)"), dated as of the Original Issue Date identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust, and in order to induce the Funding Agreement Buyer to purchase the Funding Agreement(s), and the Indenture Trustee to accept the Funding Agreement(s) as security for the Funding Agreement Buyer's obligations under the Notes, Allstate Life hereby (a) represents and warrants to the Funding Agreement Buyer and the Indenture Trustee that (i) it has changed its books and records to reflect the Assignment as required by Section 5 of the Funding Agreement(s), (ii) all other conditions precedent to the Assignment set forth in Section 5 of the Funding Agreement(s) have been satisfied and (iii) no person or entity other than the Funding Agreement Buyer, Allstate Life Global Funding, the Funding Note Indenture Trustee or the Indenture Trustee has been, and no person or entity other than the Indenture Trustee is, shown on Allstate Life's books and records as the owner of or as having any interest in the Funding Agreement(s), (b) covenants and agrees with the Funding Agreement Buyer and the Indenture Trustee that it will not hereafter (i) consent to the transfer or assignment of the Funding Agreement(s) to any person or entity other than the Funding Agreement Buyer and the Indenture Trustee or (ii) change its books or records to show any person or entity other than the Indenture Trustee as the owner of or as having any interest in the Funding Agreement(s), except in each case pursuant to written instructions from the Funding Agreement Buyer and the Indenture Trustee or its successors and (c) covenants and agrees with the Funding Agreement Buyer and the Indenture Trustee to (i) consent to any request by the Indenture Trustee to transfer or assign the Funding Agreement(s) to any person or entity, (ii) change its books or records to reflect any such transfer or assignment and (iii) take such other action as may be required on its part to cause the conditions precedent for such a transfer or assignment contained in Section 5 of the Funding Agreement(s) to be satisfied with respect to such transfer or assignment.

Allstate Life hereby also represents that Allstate Life did not receive any notice of any adverse claim prior to (a) its acknowledgment and consent to the Assignment or (b) taking the actions under Section 5 of the Funding Agreement(s) to effect the Assignment.

This letter agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, without regard to conflicts of laws principles, and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement set forth in Part F of the Series Instrument for the Trust.

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PART K  
CERTIFICATE REGARDING CUSTODY OF FUNDING AGREEMENT(S)

Reference is hereby made to (i) the Indenture set forth in Part A of this Closing Instrument and (ii) the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement"). Capitalized terms used in this Certificate and not otherwise defined have the meanings ascribed in the Coordination Agreement.

In connection with (i) Funding Agreement(s) attached to this Closing Instrument as Exhibit C (the "Funding Agreement(s)"), issued by Allstate Life Insurance Company ("Allstate Life") and (ii) the Assignment of Funding Agreement(s) to the Indenture Trustee set forth in Part I of this Closing Instrument, the Collateral Custodian hereby represents that:

(1) it is holding the Funding Agreement(s) in custody and the Funding Agreement(s) are in its possession at: J.P. Morgan Trust Company, National Association, 1 Bank One Plaza, Mail Code IL1-0481, Chicago, Illinois 60670; and

(2) it has no claim against Global Funding or the Trust with respect to the Funding Agreement(s) and, to the best of its knowledge, all liens, if any, on the Funding Agreement(s) in favor of Global Funding or the Trust have been satisfied.

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PART L  
INSTRUCTIONS OF THE TRUST

Reference is hereby made to the Indenture set forth in Part A of this Closing Instrument (the "Indenture") between the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, as Paying Agent, Registrar and Indenture Trustee (the "Indenture Trustee"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Standard Indenture Terms attached to this Closing Instrument as Exhibit A.

The Trust herewith delivers to the Indenture Trustee, or has caused to be delivered to the Indenture Trustee, pursuant to the Indenture, each Note Certificate representing the Notes (each, a "Note Certificate"), bearing the CUSIP No. identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust (the "Pricing Supplement"), having an initial Principal Amount identified in the Pricing Supplement.

The Trust hereby instructs the Indenture Trustee to (i) authenticate each Note Certificate, (ii) register the Notes represented by each Note Certificate in the name of the Depository identified on the Pricing Supplement (the "Depository"), (iii) accept the deposit of each Note Certificate and hold in safe custody each Note Certificate as custodian or common depository for the Depository, and (iv) take all such other reasonable action as may be required to give effect to the foregoing.

The Trust hereby further directs the Indenture Trustee to deposit the Net Proceeds to the Trust (as identified in the Pricing Supplement) in respect of the Notes to:

[                    ] Bank, Chicago  
Illinois ABA # [                    ]  
Credit: [                    ]  
Account # [                    ]: Allstate Life Global Funding  
Contract # [                    ]

or such other account as may be specified to the Indenture Trustee by or on behalf of the Trust.

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PART M  
ACKNOWLEDGEMENT OF INDENTURE TRUSTEE  
CONCERNING THE NOTE CERTIFICATE

J.P. Morgan Trust Company, National Association, as Paying Agent, Registrar and Indenture Trustee, certifies, as of the Original Issue Date identified in

the Pricing Supplement attached as Annex A to the Series Instrument for the Trust (the "Pricing Supplement"), the following:

1. it has received each Note Certificate; and

2. (a) it has duly authenticated each Note Certificate (b) if applicable, registered the Notes represented by each Note Certificate in the name of the Depository, (c) it has accepted the deposit and will hold in safe custody each Note Certificate as custodian or common depository for the Depository and (d) it will take all such other reasonable action as may be required to give effect to the foregoing.

In connection with the above issue, it also hereby confirms that, by order of the Agent(s) identified in the Pricing Supplement, it has made the following irrevocable payment instruction:

Payment Date:	Original Issue Date identified in the Pricing Supplement
Amount:	Net Proceeds to the Trust identified in the Pricing Supplement
Payment to:	Account specified in Part L of this Closing Instrument

All capitalized terms not otherwise defined herein shall have the meanings set forth in Part L of this Closing Instrument.

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PART N  
CERTIFICATE OF INDENTURE TRUSTEE CONCERNING  
THE FUNDING AGREEMENT(S)

Reference is hereby made to the Indenture set forth in Part A of this Closing Instrument (the "Indenture") between the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, as indenture trustee (the "Indenture Trustee").

In connection with (i) the Funding Agreement(s) attached as Exhibit C to this Closing Instrument (the "Funding Agreement(s)") and (ii) the Assignment of Funding Agreement(s) to the Indenture Trustee set forth in Part I of this Closing Instrument, the Indenture Trustee hereby represents that it has received delivery of the Funding Agreement(s) and is holding such Funding Agreement(s) for the benefit and security of the holders of the Notes specified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust and that the Funding Agreement(s) is/are in the possession of the Indenture Trustee at the address below:

J.P. Morgan Trust Company, National Association  
1 Bank One Plaza  
Mail Code IL1-0481  
Chicago, IL 60670

or such other location in the State of Illinois as may be specified to the Trust by the Indenture Trustee.

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PART O  
CERTIFICATE  
OF GLOBAL FUNDING  
PURSUANT TO SECTION 6(C)  
OF THE DISTRIBUTION AGREEMENT

Allstate Life Global Funding, a statutory trust organized under the laws of the State of Delaware ("Global Funding"), does hereby certify to each Agent identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") pursuant to Section 6(c) of the Distribution Agreement attached as Exhibit E to the Series Instrument for the Trust (the "Distribution Agreement") that, as of the Original Issue Date (as specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A, the "Original Issue Date"):

1. the representations and warranties of Global Funding and, if applicable, the Trust in the Distribution Agreement are true and correct on and as of the Original Issue Date and Global Funding and, if applicable, the Trust have complied with all agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Original Issue Date;

2. no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to Global Funding's knowledge, threatened; and

3. since the date of the Prospectus there has occurred no event required to be set forth in an amendment or supplement to the 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.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Distribution Agreement.

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PART P  
OFFICER'S CERTIFICATE  
OF ALLSTATE LIFE INSURANCE COMPANY  
PURSUANT TO SECTION 6(D)  
OF THE DISTRIBUTION AGREEMENT

The signatory identified in Part X of this Closing Instrument (the "Officer"), a duly elected officer of Allstate Life Insurance Company, an Illinois insurance company ("Allstate Life"), does hereby certify to each Agent identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust"), in such capacity and on behalf of Allstate Life, pursuant to Section 6(d) of the Distribution Agreement attached as Exhibit E to the Series Instrument for the Trust (the "Distribution Agreement") that, to the knowledge of the Officer based upon reasonable investigation, as of the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A:

1. no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to Allstate Life's knowledge, threatened;

2. since the date of the Prospectus there has occurred no event required to be set forth in an amendment or supplement to the 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; and

3. nothing has come to the attention of Allstate Life that would cause it to believe that the priority status of the Funding Agreement(s) under Section 5/205 of the Illinois Insurance Code has been adversely modified since the date of the last delivery of the opinion issued by Lord, Bissell & Brook, substantially in the form of Exhibit C to the Distribution Agreement.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Distribution Agreement.

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PART Q  
SECRETARY'S CERTIFICATE OF  
ALLSTATE LIFE INSURANCE COMPANY

The signatory identified in Part X of this Closing Instrument, the duly elected Secretary of Allstate Life Insurance Company, an Illinois insurance company ("Allstate Life"), does hereby certify as of the Original Issue Date (as specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A, the "Original Issue Date") that:

1. Attached hereto as Annex A is a true, complete and correct copy of the Articles of Amendment to the Articles of Incorporation of Allstate Life as amended to date and as in full force and effect on the Original Issue Date; since [December 29, 1999], no action has been taken by Allstate Life or any officers, directors or shareholders of Allstate Life to effect or authorize any amendment thereto;

2. Attached hereto as Annex B is a true, complete and correct copy of the By-Laws of Allstate Life as amended to the Original Issue Date and as in full force and effect on the Original Issue Date;

3. Attached hereto as Annex C is a true, complete and correct copy of the resolutions of the Board of Directors of Allstate Life duly adopted on November 20, 2003 and such resolutions have not been amended, modified, annulled or revoked, and are in full force and effect on the Original Issue Date; and

4. Each of the following individuals have been duly elected or appointed to the position of Allstate Life shown opposite each of their names along with a true specimen of each of their respective signatures:

NAME	TITLE	SIGNATURE
------	-------	-----------

Casey J. Sylla	President	-----
Michael J. Velotta	Senior Vice President, General Counsel and Secretary	-----
Sarah R. Donahue	Assistant Vice President	-----

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EXHIBIT A TO PART Q

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EXHIBIT B TO PART Q

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EXHIBIT C TO PART Q

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PART R  
CERTIFICATE OF INDENTURE TRUSTEE CONCERNING CORPORATE MATTERS

Reference is made to the Indenture set forth in Part A of this Closing Instrument (the "Indenture") between the Allstate Life Global Funding Trust specified in this Closing Instrument (the "Trust") and J.P. Morgan Trust Company, National Association, as indenture trustee (the "Indenture Trustee") entered into in connection with the issuance of the secured medium term notes of the Trust (the "Notes"), and to the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement") between the Trust and the Indenture Trustee. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Standard Indenture Terms attached as Exhibit A to this Closing Instrument (the "Standard Indenture Terms").

1. Each of the Indenture and the Coordination Agreement has been duly executed and delivered on behalf of the Indenture Trustee by an authorized officer of the Indenture Trustee.

2. Each person who, as an officer of the Indenture Trustee, signed the Indenture or the Coordination Agreement, was duly elected or appointed, qualified and acting as such officer at the respective time of the signing and delivery thereof and was duly authorized to sign such document on behalf of the Indenture Trustee, and the signature of each such person is the genuine signature of such officer.

3. Each person who, as an officer of the Indenture Trustee, authenticated certificates representing the Notes issued under the Indenture was at the time of such authentication and is now a duly elected or appointed officer of the Indenture Trustee authorized and empowered so to act and the signature of each such person appearing on any such certificate is genuine. The Indenture Trustee has examined the form of Notes certificate so authenticated and delivered and has found the same to be in substantially the form called for by the Indenture.

4. Attached hereto as Exhibit A is a true, correct and complete copy of an extract of the bylaws of the Indenture Trustee evidencing the authority of certain officers of the Indenture Trustee to sign indentures and authenticate certificates representing securities, which bylaws are in effect at the Original Issue Date specified in the Pricing Supplement attached to the Series Instrument for the Trust as Annex A and at all times since December 3, 2001.

5. There are no actions, suits or proceedings pending or overtly threatened against the Indenture Trustee before any court, either state or federal, which, if adversely determined, would affect in any material respect, the performance of the Indenture Trustee of its obligations under the Indenture, the Coordination Agreement and the obligations contemplated therein.

6. The Indenture Trustee is eligible to act as Indenture Trustee under Section 6.7 of the Standard Indenture Terms.

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EXHIBIT A TO PART R



EXTRACT OF BY-LAWS

As amended through December 3, 2001

Section 8.2. EXECUTION OF INSTRUMENTS. All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the Association by the Chairperson or Co-Chairpersons of the board, or the President, or any Vice Chairperson, or any Managing Director, or any Vice President, or any Assistant Vice President, or the Chief Financial Officer, or the Controller, or the Secretary, or the Cashier, or, if in connection with the provision of fiduciary, corporate trust, escrow or agency services, by any of those officers or by any Trust Officer or any Assistant Trust Officer. Any such instruments may also be executed, acknowledged, verified, delivered or accepted on behalf of the Association in such other manner and by such other officers or other persons as the board may from time to time direct. The provisions of this Section 8.2 are supplementary to any other provision of these by-laws.

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PART S  
CERTIFICATE OF AMACAR PACIFIC CORP.

The signatory identified in Part X of this Closing Instrument, the duly appointed Secretary of AMACAR Pacific Corp., a Delaware corporation ("AMACAR"), does hereby certify as of the Original Issue Date identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust (the "Original Issue Date") that:

1. Each of the persons named on Exhibit A hereto has been duly elected or appointed and is duly qualified as an officer of AMACAR on the Original Issue Date, holding the office or offices set forth opposite his or her name, and the signature set forth opposite his or her name is a specimen of his or her genuine signature.

2. Attached hereto as Exhibit B is a true and correct copy of the Certificate of Incorporation of AMACAR as in effect on the Original Issue Date.

3. Attached hereto as Exhibit C is a true and correct copy of the By-Laws of AMACAR as in effect on the Original Issue Date.

4. Attached hereto as Exhibit D is a true and correct copy of a resolution duly adopted by the Board of Directors of AMACAR at a meeting thereof duly called and held on [ ], at which a quorum was present and acting throughout. Such resolution has not been amended, modified, rescinded or revoked and is in full force and effect on the Original Issue Date.

5. Attached hereto as Exhibit E is a true and correct copy of a resolution duly adopted by the Board of Directors of AMACAR at a meeting thereof duly called and held on [ ], at which a quorum was present and acting throughout. Such resolution has not been amended, modified, rescinded or revoked and is in full force and effect on the Original Issue Date.

6. AMACAR is a corporation existing and in good standing under the laws of the State of Delaware.

7. There is no proceeding pending or, to the best of my knowledge, threatened for the dissolution or liquidation of AMACAR.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Administrative Services Agreement set forth in Part B to the Series Instrument for the Trust.

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EXHIBIT A TO PART S

NAME	OFFICE	SIGNATURE
		-----
		-----
		-----

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PART T  
CROSS-RECEIPT BETWEEN THE  
TRUST AND THE AGENT(S)

Reference is hereby made to the Terms Agreement set forth in Part E of the Series Instrument for the Trust (the "Terms Agreement"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Terms Agreement.

1. The Trust hereby acknowledges receipt from the Agent(s) of immediately available funds in the amount of the Net Proceeds to the Trust identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust, representing payment in full of the Notes sold to the Agent(s) pursuant to the Terms Agreement.

2. The Agent(s) hereby acknowledge(s) receipt from the Trust of the Notes sold to the Agent(s) by the Trust pursuant to the Terms Agreement.

PART U  
CROSS-RECEIPT BETWEEN THE TRUST  
AND GLOBAL FUNDING

Reference is hereby made to the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement.

1. Global Funding hereby acknowledges receipt from the Trust of immediately available funds in the amount of the Net Proceeds to the Trust identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust, representing payment in full of the Funding Note sold to the Trust pursuant to the Coordination Agreement.

2. The Trust hereby acknowledges receipt from Global Funding of the Funding Note sold to the Trust pursuant to the Coordination Agreement.

PART V  
CROSS-RECEIPT BETWEEN  
GLOBAL FUNDING AND  
ALLSTATE LIFE

Reference is hereby made to the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement.

1. Allstate Life hereby acknowledges receipt from Global Funding of immediately available funds in the amount of the Net Proceeds to the Trust identified in the Pricing Supplement attached as Annex A to the Series Instrument for the Trust, representing payment in full of the Funding Agreement(s) sold to Global Funding pursuant to the Coordination Agreement.

2. Global Funding hereby acknowledges receipt from Allstate Life of the Funding Agreement(s) sold to Global Funding pursuant to the Coordination Agreement.

PART W  
CROSS-RECEIPT BETWEEN  
GLOBAL FUNDING AND  
THE TRUST

Reference is hereby made to the Coordination Agreement set forth in Part F of the Series Instrument for the Trust (the "Coordination Agreement"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Coordination Agreement.

1. The Trust hereby acknowledges receipt from Global Funding of the Funding Agreement(s).

2. Global Funding hereby acknowledges the Trust's surrender of the Funding Note.

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PART X  
MISCELLANEOUS AND EXECUTION PAGES

This Closing Instrument may be executed by each of the parties hereto in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Facsimile signatures shall be deemed original signatures.

Each signatory, by its execution hereof, does hereby become a party to, or executes, each of the agreements and certificates identified below for such signatory as of the date specified in such agreements and certificates.

It is expressly understood and agreed by the parties that (a) Wilmington Trust Company (the "Delaware Trustee") is hereby instructed by Global Funding and the Trust to execute this Closing Instrument on their behalf, (b) this Closing Instrument is executed and delivered by the Delaware Trustee, 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 set forth in Part A to the Series Instrument for the Trust (the "Trust Agreement"), (c) each of the representations, undertakings and agreements made on the part of the Trust in this Closing Instrument is made and intended not as personal representations, undertakings and agreements by the Delaware Trustee but is made and intended for the purpose of binding only the Trust, (d) nothing contained herein shall be construed as creating any liability on the Delaware Trustee 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 (e) under no circumstances shall the Delaware Trustee be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for any breach or failure of any obligation, representation, warranty or covenant to be made or undertaken by the Trust under the Indenture set forth in Part A to this Closing Instrument or any other related documents; PROVIDED, HOWEVER, that such waiver shall not affect the liability of the Delaware Trustee (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.

IN WITNESS WHEREOF, the undersigned have executed this Closing Instrument.

ALLSTATE LIFE INSURANCE COMPANY (for purposes of (i) the Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee set forth in Part C herein, (ii) the Acknowledgement of Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee set forth in Part D herein, (iii) the Termination of Security Interest and Transfer of

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Funding Agreement(s) to Global Funding set forth in Part E herein, (iv) the Acknowledgement of Termination of Security Interest and Transfer of Funding Agreement(s) set forth in Part F herein, (v) the Assignment of Funding Agreement(s) to the Trust set forth in Part G herein, (vi) the Acknowledgement of Assignment of Funding Agreement(s) to the Trust set forth in Part H herein, (vii) the Assignment of Funding

Agreement(s) to the Indenture Trustee set forth in Part I herein, (viii) the Acknowledgement of Assignment of Funding Agreement(s) to the Indenture Trustee set forth in Part J herein and (ix) the Cross-Receipt between Global Funding and Allstate Life set forth in Part V herein)

By: -----  
Name:  
Title:

SECRETARY OF ALLSTATE LIFE INSURANCE COMPANY (for purposes of the Secretary's Certificate of Allstate Life Insurance Company set forth in Part Q herein)

By: -----  
Name:  
Title: Secretary

I, an authorized officer of Allstate Life Insurance Company, do hereby certify that the above signature is the true and genuine signature of the duly elected, qualified and acting Secretary of Allstate Life Insurance Company.

By: -----  
Name:  
Title:

AUTHORIZED OFFICER OF ALLSTATE LIFE INSURANCE COMPANY (for purposes of the Officer's Certificate of Allstate Life Insurance Company)

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Pursuant to Section 6(d) of the Distribution Agreement set forth in Part P herein)

By: -----  
Name:  
Title:

ALLSTATE LIFE GLOBAL FUNDING (for purposes of (i) the Funding Note Indenture set forth in Part B herein, (ii) the Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee set forth in Part C herein, (iii) the Acknowledgement of Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee set forth in Part D herein, (iv) the Termination of Security Interest and Transfer of Funding Agreement(s) to Global Funding set forth in Part E herein, (v) the Acknowledgement of Termination of Security Interest and Transfer of Funding Agreement(s) set forth in Part F herein, (vi) the Assignment of Funding Agreement(s) to the Trust set forth in Part G herein, (vii) the Acknowledgement of Assignment of Funding Agreement(s) Transfer to the Trust set forth in Part H herein, (viii) the Certificate of Global Funding Pursuant to Section 6(c) of the Distribution Agreement set forth in Part O herein, (ix) the Cross-Receipt between the Trust and Global Funding set forth in Part U herein, (x) the Cross-Receipt between Global Funding and Allstate Life set forth in Part V herein and (xi) the

Cross-Receipt between Global Funding and the Trust set forth in Part W herein)

By: Wilmington Trust Company, solely in its capacity as Delaware Trustee

By: -----  
Name:  
Title:

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THE ALLSTATE LIFE GLOBAL FUNDING TRUST SPECIFIED ABOVE (for purposes of (i) the Indenture set forth in Part A herein, (ii) the Assignment of Funding Agreement(s) to the Trust set forth in Part G herein, (iii) the Acknowledgement of Assignment of Funding Agreement(s) to the Trust set forth in Part H herein, (iv) the Assignment of Funding Agreement(s) to the Indenture Trustee set forth in Part I herein, (v) the Acknowledgement of Assignment of Funding Agreement(s) Assignment to the Indenture Trustee set forth in Part J herein, (vi) the Instructions of the Trust set forth in Part L herein, (vii) Cross-Receipt between the Trust and the Agent(s) set forth in Part T herein, (viii) the Cross-Receipt between the Trust and Global Funding set forth in Part U herein and (ix) the Cross-Receipt between Global Funding and the Trust set forth in Part W herein)

By: Wilmington Trust Company, solely in its capacity as Delaware Trustee

By: -----  
Name:  
Title:

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION (for purposes of (i) the Indenture set forth in Part A herein, (ii) the Funding Note Indenture set forth in Part B herein, (iii) the Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee set forth in Part C herein, (iv) the Acknowledgement of Assignment of Funding Agreement(s) to the Funding Note Indenture Trustee set forth in Part D herein, (v) the Termination of Security Interest and Transfer of Funding Agreement(s) to Global Funding set forth in Part E herein, (vi) the Acknowledgement of Termination of Security Interest and Transfer of Funding Agreement(s) set forth in Part F herein, (vii) the Assignment of Funding Agreement(s) to the Indenture Trustee set forth in Part I herein, (viii) the Acknowledgement of

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Assignment of Funding Agreement(s) to the Indenture Trustee set forth in Part J herein, (ix) the Instructions of the Trust set forth in Part L herein, (x) the Acknowledgement of Indenture Trustee Concerning the Note Certificate set forth in Part M herein, (xi) the Certificate of Indenture Trustee

Concerning the Funding Agreement(s) set forth in Part N herein and (xii) the Certificate of Indenture Trustee Concerning Corporate Matters set forth in Part R herein)

By: -----  
Name:  
Title:

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, Chicago, Illinois office (for purposes of the Certificate Regarding Custody of Funding Agreement(s) set forth in Part K herein)

By: -----  
Name:  
Title:

SECRETARY OF AMACAR Pacific Corp. (for purposes of the Certificate of AMACAR Pacific Corp. set forth in Part S herein)

By: -----  
Name:  
Title: Secretary

I, an authorized officer of AMACAR Pacific Corp., do hereby certify that the above signature is the true and genuine signature of the duly elected, qualified and acting Secretary of AMACAR Pacific Corp.

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By: -----  
Name:  
Title:

[MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED] (for purposes of the Cross-Receipt between the Trust and the Agent(s) set forth in Part T herein)

By: -----  
Name:  
Title:

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EXHIBIT A

STANDARD INDENTURE TERMS

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EXHIBIT B

STANDARD FUNDING NOTE INDENTURE TERMS

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EXHIBIT C

FUNDING AGREEMENT(S)

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EXHIBIT D

UCC-1 FINANCING STATEMENT

D-1

ANNEX A

INDENTURE TRUSTEE SERVICE  
FEE SCHEDULE

A-A-1

[Letterhead of LeBoeuf, Lamb, Greene & MacRae, L.L.P.]

March 23, 2004

Allstate Life Insurance Company  
3100 Sanders Road  
Northbrook, Illinois 60062

Allstate Life Global Funding  
c/o AMACAR Pacific Corp.  
6525 Morrison Boulevard, Suite 318  
Charlotte, North Carolina 28211

Re: \$4,000,000,000 Secured Medium Term Notes  
Registration Statement on Form S-3  
-----

Ladies and Gentlemen:

We have acted as special United States federal income tax counsel to Allstate Life Insurance Company, an Illinois insurance company ("Allstate Life"), and Allstate Life Global Funding, a statutory trust organized under the laws of the State of Delaware (the "Global Funding"), in connection with the preparation and filing with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), by Global Funding and Allstate Life, of a Registration Statement on Form S-3 (File No. 333-112249), as amended (the "Registration Statement"), including a prospectus (the "Prospectus") relating to secured medium term notes (the "Notes") to be issued by newly formed Delaware statutory trusts (each, a "Trust" and together the "Trusts"), a prospectus supplement relating to secured medium term notes to be issued by the Trusts (the "Institutional Prospectus Supplement") and a prospectus supplement relating to Allstate Life(SM) CoreNotes(SM) to be issued by the Trusts (the "Retail Prospectus Supplement", and together with the Institutional Prospectus Supplement, the "Prospectus Supplements"). The Registration Statement provides for: (i) the registration of up to \$4,000,000,000, or the equivalent amount in one or more foreign currencies, aggregate principal amount of Notes to be issued by the Trusts, with each Trust to issue Notes, pursuant to an Indenture (each an "Indenture") to be entered into between such Trust and J.P. Morgan Trust Company, National Association, as indenture trustee (the "Indenture Trustee"), substantially in the form attached as an exhibit to the Registration Statement, (ii) the registration of up to \$4,000,000,000, or the equivalent amount in one or more foreign currencies, aggregate principal amount of Funding Notes to be issued by Global Funding (each in the form attached as

Allstate Life Insurance Company  
Allstate Life Global Funding  
March 23, 2004  
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an exhibit to the Registration Statement, a "Funding Note") and (iii) the registration of up to \$4,000,000,000, or the equivalent amount in one or more foreign currencies, of Allstate Life's funding agreements (each in the form attached as an exhibit to the Registration Statement, a "Funding Agreement") to be sold to Global Funding.

Each Trust will use the net proceeds received from the issuance of its Notes to purchase a Funding Note from Global Funding. Global Funding will use the net proceeds received from the sale of the Funding Note to purchase Funding Agreement(s) issued by Allstate Life. Global Funding will immediately assign absolutely to, and deposit into, the relevant Trust such Funding Agreement(s), and the Funding Note will be surrendered. The Funding Note and the Funding Agreements will have a principal amount equal to the principal amount of the Notes. The Funding Note and the Funding Agreements will otherwise have payment and other terms substantially similar to the Notes.

The payments under the relevant Funding Agreement(s) issued by Allstate Life will be structured to meet in full the relevant Trust's scheduled payment obligations under the Note issued by such Trust. Payment of principal and interest on the Notes will be made solely from payments made by Allstate Life under the applicable Funding Agreement(s). Capitalized terms used in this



opinion letter which are not otherwise defined herein have the meanings ascribed to them in the Standard Indenture Terms.

In formulating our opinions in this letter, we have reviewed (i) the Registration Statement, (ii) the Prospectus, (iii) the Prospectus Supplements, (iv) the Standard Trust Agreement Terms and the Standard Indenture Terms, each filed as an exhibit to the Registration Statement, (v) the form of Series Instrument filed as an exhibit to the Registration Statement that includes the Trust Agreement and the Indenture to be executed through the execution of the Series Instrument, (vi) the form of Funding Agreement filed as an exhibit to the Registration Statement, (vii) the form of Funding Note filed as an exhibit to the Registration Statement and (viii) such other certificates, records, and other documents as we have deemed necessary or appropriate to enable us to render our opinions set forth below.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or other copies, and the authenticity of the originals of such copies.

In rendering our opinions in this letter, we have assumed that the transactions described in or contemplated by the foregoing documents have been or will be consummated in accordance with the operative documents, and that such documents accurately reflect the material facts of such transactions. Our opinion is also based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations, administrative rulings, judicial decisions and other applicable authorities. The statutory provisions, regulations and interpretations on which our opinion is based are subject to change, possibly retroactively. In addition, there can be no assurance that the Internal Revenue Service will not take positions contrary to those stated in our opinion letter.

Allstate Life Insurance Company  
Allstate Life Global Funding  
March 23, 2004  
Page 3

Subject to the foregoing, under current law and based upon the facts, assumptions and qualifications contained herein, it is our opinion that:

1. Global Funding and each 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
2. The Notes will be classified as indebtedness of Allstate Life for United States federal income tax purposes.

The opinions we express herein are limited solely to matters governed by the federal income tax laws of the United States. No opinion may be implied or inferred beyond that which is expressly stated in this opinion letter. This opinion letter is rendered as of the date hereof based upon the facts and law in existence on the date hereof. We assume no obligation to update or supplement this opinion letter to reflect any circumstances that may come to our attention after the date of effectiveness of the Registration Statement with respect to the opinion and statements set forth above, including any changes in applicable law that may occur after the date of effectiveness of the Registration Statement.

Very truly yours,

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

FORM OF SECURITY FOR  
FUNDING NOTE RELATED TO SECURED MEDIUM TERM NOTES ISSUED UNDER THE  
ALLSTATE LIFE(SM) CORENOTES(R) PROGRAM

[FACE OF SECURITY]

CUSIP No.:

ALLSTATE LIFE GLOBAL FUNDING  
FUNDING NOTE

<p>Title of Funding Note: Trust: Principal Amount: \$ _____ Original Issue Date: Issue Price: Interest Rate or Formula: Fixed Rate Note: / / Yes / / No. If yes, Interest Rate: Interest Payment Dates: Day Count Convention: Additional/Other Terms: Discount Note: / / Yes / / No. If yes, Total Amount of Discount: Initial Accrual Period of Discount: Interest Payment Dates: Additional/Other Terms: Redemption Provisions: / / Yes / / No. If yes, Initial Redemption Date: Initial Redemption Percentage: Annual Redemption Percentage Reduction, if any: Additional/Other Terms:</p>	<p>Stated Maturity Date: Settlement Date and Time: Securities Exchange Listing: / / Yes / / No. If yes, indicate name(s) of Securities Exchange(s): _____ Floating Rate Note: / / Yes / / No. If yes, Regular Floating Rate Notes: / / Floating Rate/Fixed Rate Notes: / / Interest Rate: Interest Rate Basis(es): LIBOR / / / / LIBOR Reuters Page: / / LIBOR Telerate Page: LIBOR Currency: Constant Maturity Treasury Rate / / Designated CMT Telerate Page: If Telerate Page 7052: / / Weekly Average / / Monthly Average Designated CMT Maturity Index:</p>
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"Allstate Life(SM)" is a registered servicemark of Allstate Insurance Company.  
"CoreNotes(R)" is a registered servicemark of Merrill Lynch & Co., Inc.

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<p>Regular Interest Record Date(s): Sinking Fund: Funding Note Calculation Agent: Authorized Denominations: Funding Note Collateral: Allstate Life Insurance Company Funding Agreement No(s). / /, all proceeds of such funding Agreement(s), all books and records pertaining to such Funding Agreement(s) and all rights of the Trust pertaining to the foregoing. Additional/Other Terms:</p>	<p>CD Rate / / Commercial Paper Rate / / Federal Funds Rate / / Prime Rate / / Treasury Rate / / Other / / See attached. Index Maturity: Spread and/or Spread Multiplier, if any: Initial Interest Rate, if any: Initial Interest Reset Date: Interest Reset Dates: Interest Determination Date(s): Interest Payment Dates: Maximum Interest Rate, if any: Minimum Interest Rate, if any: Fixed Rate Commencement Date, if any: Fixed Interest Rate, if any: Day Count Convention: Additional/Other Terms:</p>
--	--

This note certificate (the "Funding Note Certificate") represents a duly authorized funding note (the "Funding Note") of Allstate Life Global Funding, a statutory trust organized under the laws of the State of Delaware ("Global Funding"). The Funding Note is being issued in connection with the issuance and sale by the trust specified above (the "Trust") of the trust notes identified on Annex A to that certain series instrument to which Global Funding and the Trust are parties (the "Series Instrument") (the "Trust Notes"). The Funding Note is being issued under the Funding Note Indenture, dated as of the date hereof (as amended or supplemented from time to time, the "Indenture") between Global Funding and J.P. Morgan Trust Company, National Association, as funding note indenture trustee (including any successor, the "Funding Note Indenture Trustee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed in the Standard Funding Note Indenture Terms, dated as of [ ] (as amended or supplemented from time to time, the "Standard Funding Note Indenture Terms").

Subject to the immediately following paragraph, Global Funding, for value received, hereby promises to pay to the Holder or Holders of the Funding Note on the Maturity Date (as defined below) (or on the date of redemption or repayment by Global Funding) the principal amount of the Funding Note and, if so specified above, to pay interest from time to time on the Funding Note from the Original Issue Date specified above (the "Original Issue Date") or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the rate per annum determined in accordance with the provisions on the reverse hereof and as specified above, until the principal of the Funding Note is paid or made available for payment and to pay such other amounts due and owing with respect to the Funding Note.

This Funding Note Certificate shall be surrendered for cancellation by or on behalf of the Trust, and shall be cancelled by the Funding Note Indenture Trustee, immediately upon the

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assignment by Global Funding to, or as directed by, the Trust of each funding agreement identified on Annex A to the Series Instrument (each, a "Funding Agreement") in accordance with the terms of the Funding Note and the Coordination Agreement, and such cancellation shall operate as a redemption of the Funding Note.

On any exchange or purchase and cancellation of the Funding Note, details of such exchange or purchase and cancellation shall be entered in the records of Global Funding. Upon any such exchange or purchase and cancellation, the principal amount of the Funding Note shall be charged by the principal amount so exchanged or purchased and cancelled, as provided in the Standard Funding Note Indenture Terms.

Unless otherwise set forth above, if the Funding Note is subject to an Annual Redemption Percentage Reduction as specified above, the Redemption Price of the portion of the Funding Note represented by this Funding Note Certificate shall initially be the Initial Redemption Percentage of the principal amount of the portion of the Funding Note represented by this Funding Note Certificate on the Initial Redemption Date and shall decline at each anniversary of the Initial Redemption Date (each such date, a "Redemption Date") by the Annual Redemption Percentage Reduction of such principal amount until the Redemption Price is 100% of such principal amount.

The Funding Note will mature on the earlier of the Stated Maturity Date and the Maturity Date (as defined in the Trust Notes) of the Trust Notes (the "Trust Notes Maturity Date"), unless its principal (or, any installment of its principal) becomes due and payable prior to any such date, whether, as applicable, by the declaration of acceleration of maturity, notice of redemption at the option of Global Funding, notice of the Holder's option to elect repayment or otherwise (the Stated Maturity Date, the Trust Notes Maturity Date or any date prior to any such date on which the Funding Note becomes due and payable, as the case may be, are referred to as the "Maturity Date" with respect to principal of the Funding Note repayable on such date).

Unless otherwise provided above and except as provided in the following paragraph, Global Funding will pay interest on each Interest Payment Date specified above, commencing with the first Interest Payment Date next succeeding the Original Issue Date, and on the Maturity Date; PROVIDED that any payment of principal, premium, if any, interest or other amounts to be made on any Interest Payment Date or on a Maturity Date that is not a Business Day shall be made on the next succeeding Business Day, PROVIDED, HOWEVER, with respect to an Interest Payment Date other than the Maturity Date, if the Funding Note is a LIBOR Note (as defined in Section 3 on the reverse hereof) and that next succeeding Business Day falls in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

Unless otherwise specified above, the interest payable on each Interest Payment Date or on the Maturity Date will be the 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").

Reference is hereby made to the further provisions of the Funding Note set forth on the

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reverse hereof and, if so specified on the face hereof, in an Addendum hereto, which further provisions shall for all purposes have the same force and effect as if set forth on the face hereof.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to the Funding Note as specified above, the Funding Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

The Funding Note or the portion thereof represented by this Funding Note Certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by the Funding Note Indenture Trustee pursuant to the Funding Note Indenture.

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IN WITNESS WHEREOF, Global Funding has caused this instrument to be duly executed on its behalf.

Dated: Original Issue Date ALLSTATE LIFE GLOBAL FUNDING,  
as Issuer

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

CERTIFICATE OF AUTHENTICATION

This Funding Note Certificate is one of the Funding Note Certificates representing the Funding Note described in the within-mentioned Funding Note Indenture and is being issued in accordance with Section 2.5(f) of the Funding Note Indenture.

Dated: Original Issue Date J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Funding Note Indenture Trustee

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

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[REVERSE OF DEFINITIVE SECURITY]

SECTION 1. GENERAL. This Funding Note is being issued pursuant to the Funding Note Indenture in connection with the issuance and sale by the Trust of the Trust Notes. The Funding Note shall be surrendered for cancellation by or on behalf of the Trust, and shall be cancelled by the Funding Note Indenture Trustee, immediately upon the assignment by Global Funding to, or as directed by, the Trust of each Funding Agreement, and such cancellation shall operate as a redemption of the Funding Note.

SECTION 1. CURRENCY. The Funding Note is denominated in, and payments of principal, premium, if any, and/or interest, if any, will be made in U.S. dollars.

SECTION 2. DETERMINATION OF INTEREST RATE AND OTHER PAYMENT PROVISIONS.

FIXED RATE NOTE. If the Funding Note is designated on the face hereof as a "Fixed Rate Note", the Funding Note will bear interest from the Original Issue Date until the Maturity Date. Unless otherwise specified on the face hereof, the rate of interest payable on the Funding Note will not be adjusted; unless otherwise specified on the face hereof, interest will be payable on the Interest Payment Dates set forth on the face hereof and at the Maturity Date. Interest 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 Fixed Rate Note falls on a day that is not a Business Day, any payments of principal, premium, if any, and/or interest or other amounts required to be made, may be made on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

DISCOUNT NOTE. If the Funding Note is designated on the face hereof as a "Discount Notes" (as defined below), payments in respect of the Funding Note shall be made as set forth on the face hereof. In the event a Discount Note is redeemed, repaid or accelerated, the amount payable to the Holder of the Discount Note on the Maturity Date will be equal to the sum of (1) the Issue Price (increased by any accruals of discount) and, in the event of any redemption of such Discount Note, if applicable, multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable); and (2) any unpaid interest accrued on the Discount Note to the date of redemption, repayment or acceleration of maturity, as applicable. For purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity of the Funding Note occurs for a Discount Note, the 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 a Discount Note (with ratable accruals within a

compounding period), a coupon rate equal to the initial coupon rate applicable to a Discount Note and an assumption that the maturity of such Discount Note will not be accelerated. If the period from the date of issue to the first Interest Payment Date for a Discount Note (the "Initial Period") is shorter than the compounding period for such Discount Note, 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 Funding Note is a "Discount Note" if its Issue Price is less than 100% of the principal amount thereof by more than

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a percentage equal to the product of 0.25% and the number of full years to the Stated Maturity Date.

FLOATING RATE NOTE. If the Funding Note is specified on the face hereof as "Floating Rate Note", interest on the Funding Note shall accrue and be payable in accordance with this Section 3. A Floating Rate Note may be a CD Rate Note, CMT Rate Note, Commercial Paper Rate Note, Federal Funds Rate Note, LIBOR Note, Prime Rate Note, Treasury Rate Note, or as otherwise set forth on the face hereof. If the Funding Note is designated on the face hereof as Floating Rate Note, the face hereof will specify whether the Funding Note is a Regular Floating Rate Note or Floating Rate/Fixed Rate Note. For the period from the date of issue to, but not including, the first Interest Reset Date set forth on the face hereof, the interest rate hereon shall be the Initial Interest Rate specified on the face hereof. Thereafter, the interest rate hereon will be reset as of and be effective as of each Interest Reset Date.

- (A) If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day; PROVIDED, HOWEVER, that if the Funding Note is a LIBOR Note and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the Business Day immediately preceding such Interest Reset Date.
- (B) Unless specified otherwise on the face hereof, Interest Reset Dates are as follows: (1) if the Funding Note resets daily, each Business Day, (2) if the Funding Note resets weekly, other than a Treasury Rate Note, the Wednesday of each week, (3) if the Funding Note is a Treasury Rate Note that resets weekly, and except as provided below under "Treasury Rate Note", the Tuesday of each week, (4) if the Funding Note resets monthly, the third Wednesday of each month, (5) if the Funding Note resets quarterly, the third Wednesday of March, June, September and December of each year, (6) if the Funding Note resets semiannually, the third Wednesday of each of the two months specified on the face hereof and (7) if the Funding Note resets annually, the third Wednesday of the month specified each year; PROVIDED, HOWEVER, that with respect to a Floating Rate/ Fixed Rate Note, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date specified on the face hereof (the "Fixed Rate Commencement Date").
- (C) Accrued interest is calculated by multiplying the principal amount of the 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 Floating Rate Note as to which the CD Rate, the Commercial Paper Rate, the Federal Funds Rate, LIBOR or the Prime Rate is an applicable Interest Rate Basis (as defined below), or by the actual number of days in the year, in the case of a Floating Rate Note as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for a Floating Rate Note 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

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on the face hereof applied. The interest rate shall be set forth on the face hereof. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. Unless otherwise specified on the face hereof, the interest rate that is effective on the applicable Interest Reset Date will be determined on the applicable Interest Determination Date and calculated on the applicable Funding Note Funding Note Calculation Date (as defined below). "Funding Note Calculation Date" means the date by which the Funding Note Calculation Agent designated on the face hereof, is to calculate the interest rate which will be the earlier of (1) 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 (2) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

- (D) Unless otherwise specified on the face hereof, all percentages resulting from any calculation on a Floating Rate Note will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. All dollar amounts used in or resulting from any calculation on a Floating Rate Note will be rounded to the nearest cent.

Unless otherwise specified on the face hereof and except as provided below, interest will be payable as follows: (1) if the Interest Reset Date for the Funding Note is daily, weekly or monthly, interest will be payable on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified on the face hereof, (2) if the Interest Reset Date for the Funding Note is quarterly, interest will be payable on the third Wednesday of March, June, September, and December of each year, (3) if the Interest Reset Date for the Funding Note is semiannually, interest will be payable on the third Wednesday of each of two months specified on the face hereof of each year, (4) if the Interest Reset Date for the Funding Note is annually, interest will be payable on the third Wednesday of the month specified on the face hereof of each year. In each of these cases, interest will also be payable on the Maturity Date.

If specified on the face hereof, the Funding Note may have either or both of a Maximum Interest Rate or Minimum Interest Rate. If a Maximum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for a Floating Rate Note cannot ever exceed such Maximum Interest Rate and in the event that the interest rate on any Interest Reset Date would exceed such Maximum Interest Rate (as if no Maximum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Maximum Interest Rate. If a Minimum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for a Floating Rate Note cannot ever be less than such Minimum Interest Rate and in the event that the interest rate on any Interest Reset Date would be less than such Minimum Interest Rate (as if no Minimum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Minimum Interest Rate. Notwithstanding anything to the contrary contained herein, if the Funding Note is designated on the face hereof as a Floating Rate Note, the interest rate on the Funding Note shall not exceed the maximum interest rate permitted by applicable law.

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All determinations of interest by the Funding Note Calculation Agent designated on the face hereof will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of the Funding Note and neither the Funding Note Indenture Trustee nor the Funding Note Calculation Agent shall have any liability to the Holder of the Funding Note in respect of any determination, calculation, quote or rate made or provided by the Funding Note Calculation Agent. Upon request of the Holder of the Funding Note, the Funding Note Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to the Funding Note. If the Funding Note Calculation Agent is incapable or unwilling to act as such or if the Funding Note Calculation Agent fails duly to establish the interest rate for any interest accrual period or to calculate the interest amount or any other requirements, Global Funding will appoint a successor to act as such in its place. The Funding Note Calculation Agent may not resign its duties until a successor has been appointed and such successor has accepted its appointment.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date, the rate of interest on the Funding Note on and after the first Interest Reset Date shall be the interest rate determined in accordance with the provisions of the heading below which has been designated as the Interest Rate Basis on the face hereof (the "Interest Rate Basis"), the base rate, plus or minus the Spread, if any, specified on the face hereof and/or multiplied by the Spread Multiplier, if any, specified on the face hereof.

- (A) CD RATE NOTE. If the Interest Rate Basis is the CD Rate, the Funding Note shall be deemed to be a "CD Rate Note." A CD Rate Note will bear interest at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the CD Rate on each Interest Determination Date. The Interest Determination Date is the second Business Day immediately preceding the related Interest Reset Date. "CD Rate" means the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or, if not so published by 3:00 P.M., New York City time, on the related Funding Note Calculation Date, the rate on the particular Interest Determination Date for negotiable United States dollar certificates of the particular Index Maturity as published in the H.15 Daily Update (as defined below) or other recognized electronic source used for the

purpose of displaying the applicable rate under the heading "CDs (secondary market)." If such rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 P.M., New York City time, on the related Funding Note Calculation Date, then the CD Rate will be the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Agent for negotiable United States dollar certificates of deposit of major United States

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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, if the dealers so selected by the Funding Note Calculation Agent are not quoting as described in the preceding sentence, the CD Rate in effect on the particular Interest Determination Date. "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; and "H.15 Daily Update" means the daily update of H.15(519), available through the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.

- (B) CMT RATE NOTE. If the Interest Basis is the CMT Rate, the Funding Note shall be deemed to be a "CMT Rate Note." A CMT Rate Note will bear interest at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the CMT Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is the second Business Day prior to the Interest Reset Date. "CMT Rate" means (1) if CMT Moneyline Telerate Page 7051 is specified on the face hereof: (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 Funding Note 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 Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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

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more than one 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 Funding Note 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 Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 Funding Note 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 on the face hereof (a) the percentage equal to the one-week or one-month, as specified on the face hereof, average yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 on the face hereof, 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 on the face hereof, 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

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in clause (c) is not so published, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 one 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 Funding Note 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 Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 Funding Note 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



If two United States Treasury securities with an original maturity greater than the Index Maturity specified on the face hereof 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.

- (C) COMMERCIAL PAPER RATE NOTE. If the Interest Rate Basis is the Commercial Paper Rate, the Funding Note shall be deemed to be a "Commercial Paper Rate Note." A Commercial Paper Rate Note will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Commercial Paper Rate on each applicable Interest Determination

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Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "Commercial Paper Rate" means the Money Market Yield (calculated as described below) on the Interest Determination Date of the rate for commercial paper having the applicable Index Maturity as such rate is published in H.15(519) under the heading "Commercial Paper -- Nonfinancial." If such rate is not published by 3:00 P.M., New York City time, on the Funding Note Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial paper having the particular Index Maturity as published on H.15 Daily Update or such other recognized electronic source used for the purposes of displaying the applicable rate, under the caption "Commercial Paper -- Nonfinancial", or if such rate is not published by 3:00 P.M., New York City time, on the Funding Note Calculation Date, then the Commercial Paper Rate as calculated by the Funding Note Calculation Agent shall be 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 Funding Note 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; PROVIDED, HOWEVER, that if the dealers selected by the Funding Note Calculation Agent are not quoting offered rates as mentioned above, the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" shall be 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 per annum rate for the 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 Period.

- (D) FEDERAL FUNDS RATE NOTE. If the Interest Rate Basis is the Federal Funds Rate, the Funding Note shall be deemed to be a "Federal Funds Rate Note." A Federal Funds Rate Note will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Federal Funds Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 (2) if the rate referred to in clause (1) does not so appear on Moneyline Telerate

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Page 120 or is not so published by 3:00 P.M., New York City time, on the related Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note 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 Funding Note Calculation Agent are not quoting as mentioned in clause (3), the Federal Funds Rate in effect on the particular Interest Determination Date.

- (E) LIBOR NOTE. If the Interest Rate Basis is LIBOR (as defined below), the Funding Note shall be deemed to be a "LIBOR Note." A LIBOR Note will bear interest for each Interest Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any. On each applicable Interest Determination Date the Funding Note Calculation Agent will determine LIBOR. The applicable Interest Determination Date is the second London Banking Day preceding the related Interest Reset Date.

LIBOR means: (1) if "LIBOR Moneyline Telerate" is specified on the face hereof or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the rate for deposits in the LIBOR Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the related Interest Reset Date, that appears on the LIBOR Page (as defined below) as of 11:00 A.M., London time, on the particular Interest Determination Date, or (2) if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered rates, calculated by the Funding Note 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 Funding Note Calculation Agent of at least two offered quotations obtained by the Funding Note 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 Funding Note Calculation Agent with its

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

"LIBOR Currency" means United States dollars.

"LIBOR Page" means either: if "LIBOR Reuters" is specified on the face hereof, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (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 on the face hereof or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on

Moneyline Telerate (or any successor service) on the page specified on the face hereof (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.

- (F) PRIME RATE NOTE. If the Interest Rate Basis is the Prime Rate, the Funding Note shall be deemed to be "Prime Rate Note." Prime Rate Note will bear interest for each Interest Reset Date calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any, subject to the Minimum Interest Rate and/or Maximum Interest Rate, if any, specified on the face hereof. The Funding Note Calculation Agent will determine the Prime Rate for each Interest Reset Date on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 Funding Note Calculation Date, the rate on the particular Interest Determination Date as published in H.15 Daily Update, or such other recognized

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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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Agent, or (5) if the banks so selected by the Funding Note 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.

- (G) TREASURY RATE NOTE. If the Interest Rate Basis is the Treasury Rate, the Funding Note shall be deemed to be a "Treasury Rate Note." A Treasury Rate Note will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Treasury Rate on each Treasury Rate Determination Date (as defined below). "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 on the face hereof 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 Funding Note 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 Funding Note 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

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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 Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified on the face hereof, or (7) if the dealers so selected by the Funding Note 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 Period.

The "Treasury Rate Determination Date" for each Interest Reset Date means the day in the week in which the related Interest Reset Date falls on which day Treasury Bills 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.

- (H) REGULAR FLOATING RATE NOTE. Unless the Funding Note is designated as a Floating Rate/Fixed Rate Note or as having an Addendum attached or having other/additional provisions apply, in each case relating to a different interest rate formula, such Note that bears interest at floating rates will be a Regular Floating

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Rate Note 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. Commencing on the first Interest Reset Date, as specified on the face hereof, the rate at which interest on a Regular Floating Rate Note 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.

- (I) FLOATING RATE/FIXED RATE NOTE. If the Funding Note is designated as a "Floating Rate/Fixed Rate Note" on the face hereof, such Note that bears interest at floating rates 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 Floating Rate/Fixed Rate Note 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 on the face hereof; and the interest rate in effect commencing on the Fixed Rate Commencement Date will be the Fixed Interest Rate, if specified on the face hereof, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

SECTION 3. OPTIONAL REDEMPTION. If any Initial Redemption Date is specified on the face hereof, Global Funding may redeem the Funding Note prior to the Stated Maturity Date at its option on any Business Day on or after the Date Initial Redemption in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified on the face hereof at the applicable Redemption Price (as defined below) together with

any unpaid interest accrued on the Funding Note, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date. Unless otherwise specified in the Funding Note Indenture or on the face hereof, Global Funding shall give a notice of such redemption to the Holder of any portion of the Funding Note to be redeemed not more than 60 nor less than 30 days prior to the Redemption Date. "Redemption Price" means an amount equal to the Initial Redemption Percentage specified on the face hereof (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount of the Funding Note to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by an amount equal to the applicable Annual Redemption Percentage Reduction, if any, until the Redemption Price is equal to 100% of the unpaid amount the Funding Note to be redeemed.

SECTION 4. SINKING FUND. Unless otherwise specified on the face hereof, the Funding Note will not be subject to, or entitled to the benefit of, any sinking fund.

SECTION 4. MODIFICATIONS AND AMENDMENTS. The Funding Note Indenture contains provisions permitting Global Funding and the Funding Note Indenture Trustee (1) without the consent of any Holder, to execute Supplemental Funding Note Indentures for limited purposes and take other actions set forth in the Funding Note Indenture, and (2) with the consent of the

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Holder or Holders of not less than 66 2/3% of the outstanding principal amount of the Funding Note, evidenced as provided in the Funding Note Indenture, to execute Supplemental Funding Note Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Funding Note Indenture or any Supplemental Funding Note Indenture or modifying in any manner the rights of the Holder or Holders of the Funding Note subject to specified limitations.

SECTION 5. OBLIGATIONS UNCONDITIONAL. No reference herein to the Funding Note Indenture and no provision of the Funding Note or of the Funding Note Indenture shall alter or impair the obligation of Global Funding, which is absolute and unconditional, to pay the principal of, interest on, or any other amount due and owing with respect to, the Funding Note at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

SECTION 6. FUNDING NOTE COLLATERAL. Pursuant to the Funding Note Indenture, Global Funding will pledge and collaterally assign the relevant Funding Agreement(s) issued by the Funding Agreement Provider in connection with the issuance of the Funding Note (each, a "Funding Agreement") to the Funding Note Indenture Trustee. The Funding Note will be secured by the Security Interest in the Funding Note Collateral in favor of the Funding Note Indenture Trustee for the benefit of each Holder of the Funding Note and each other person for whose benefit the Funding Note Indenture Trustee is or will be holding the Funding Note Collateral (the "Secured Parties").

SECTION 7. SECURITY; LIMITED RECOURSE. The Funding Note is solely the obligation of Global Funding, and will not be guaranteed by any person, including but not limited to the Funding Agreement Provider, any Allstate Life Global Funding Trust, any Agent, the Global Funding Trust Beneficial Owner, the Delaware Trustee, the Funding Note Indenture Trustee or any of their affiliates. Global Funding's obligations under the Funding Note will be secured by all of Global Funding's rights and title in one or more Funding Agreement(s) issued by the Funding Agreement Provider and other rights and assets included in the applicable Funding Note Collateral. The Holder or Holders of the Funding Note have no direct contractual rights against the Funding Agreement Provider under the Funding Agreement(s). Under the terms of each Funding Agreement, recourse rights to the Funding Agreement Provider will belong to Global Funding, its successors and permitted assignees. Global Funding has pledged and collaterally assigned each Funding Agreement to the Funding Note Indenture Trustee and has granted the Security Interest in the Funding Note Collateral to the Funding Note Indenture Trustee for the benefit of the Secured Parties. Recourse to the Funding Agreement Provider under each Funding Agreement will be enforceable only by the Funding Note Indenture Trustee on behalf of the Secured Parties.

SECTION 8. EVENTS OF DEFAULT. If one or more Events of Default, as defined in the Funding Note Indenture, shall have occurred and be continuing with respect to the Funding Note, then, and in every such event, unless the principal of the Funding Note shall have already become due and payable, the entire principal and premium (if any) of the Funding Note, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, may be declared to be, and upon any such declaration the same shall become immediately, due and payable; provided that, with respect to certain Events of Default, without any notice to Global Funding or any other act by the Funding Note Indenture

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Trustee or any Holder of the Funding Note, the entire principal and premium (if

any) of the Funding Note, 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. If the Funding Note is a Discount Note, the amount of principal of the Funding Note that becomes due and payable upon such acceleration shall be equal to the amount calculated as set forth in Section 3 hereof.

SECTION 9. WITHHOLDING; ADDITIONAL AMOUNTS. All amounts due in respect of the Funding Note 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 payments on the Funding Note unless the withholding or deduction is required by law. Unless otherwise specified on the face hereof, Global Funding will not pay any Additional Amounts to the Holders of the Funding Note 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 or repay the Funding Note and shall not constitute an Event of Default.

SECTION 10. LISTING. Unless otherwise specified on the face hereof, the Funding Note will not be listed on any securities exchange.

SECTION 11. NO RECOURSE. Notwithstanding anything to the contrary contained in the Funding Note Indenture, or the Funding Note Certificate or Supplemental Funding Note Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Funding Note Indenture Trustee or the Global Funding Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "Non-recourse 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 Funding Note. If any Event of Default shall occur with respect to the Funding Note, the right of the Holders of the Funding Note and the Funding Note Indenture Trustee on behalf of such Holders in connection with a claim on the Funding Note shall be limited solely to a proceeding against the Funding Note Collateral. Neither the Holders nor the Funding Note Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties to enforce the Funding Note (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 Funding Note Collateral.

SECTION 12. GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Funding Note shall be governed by, and construed in accordance with, the laws of the State of New York.

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ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) 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 Security of ALLSTATE LIFE GLOBAL FUNDING and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer said Security on the books of the Issuer, with full power of substitution in the premises.

Dated: \_\_\_\_\_  
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NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

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FORM OF SECURITY FOR  
FUNDING NOTE RELATED TO SECURED MEDIUM TERM NOTES ISSUED UNDER THE  
SECURED MEDIUM TERM NOTES PROGRAM

[FACE OF SECURITY]

CUSIP No.:

ALLSTATE LIFE GLOBAL FUNDING

FUNDING NOTE

Title of Funding Note:	Stated Maturity Date:
Trust:	Settlement Date and Time:
Principal Amount: \$ _____ (or principal amount of foreign or composite currency)	Securities Exchange Listing: // Yes // No. If yes, indicate name(s) of Securities Exchange(s):
Original Issue Date:	_____.
Issue Price:	Floating Rate Note: // Yes // No. If yes,
Interest Rate or Formula:	Regular Floating Rate Notes: //
Fixed Rate Note: // Yes // No. If yes,	Inverse Floating Rate Notes: //
Interest Rate:	Floating Rate/Fixed Rate Notes: //
Interest Payment Dates:	Interest Rate:
Day Count Convention:	Interest Rate Basis(es):
Additional/Other Terms:	LIBOR //
Amortizing Note: // Yes // No. If yes,	// LIBOR Reuters Page:
Amortization schedule or formula:	// LIBOR Telerate Page:
Additional/Other Terms:	LIBOR Currency:
Discount Note: // Yes // No. If yes,	Constant Maturity Treasury Rate //
Total Amount of Discount:	Designated CMT Telerate Page:
Initial Accrual Period of Discount:	If Telerate Page 7052:
Interest Payment Dates:	// Weekly Average
Additional/Other Terms:	// Monthly Average
Redemption Provisions: // Yes // No. If yes,	Designated CMT Maturity Index:
Initial Redemption Date:	CD Rate //
Initial Redemption Percentage:	Commercial Paper Rate //
Annual Redemption Percentage Reduction, if any:	Federal Funds Rate //
Additional/Other Terms:	Prime Rate //
Repayment Provisions: // Yes // No. If yes,	Treasury Rate //
Optional Repayment Date(s):	Eleventh District Cost of Funds Rate //
Optional Repayment Price:	EURIBOR Rate //
Additional/Other Terms:	Other // See attached.
	Index Maturity:
Regular Interest Record Date(s):	
Sinking Fund:	Spread and/or Spread Multiplier, if any:
Specified Currency:	Initial Interest Rate, if any:
Exchange Rate Agent:	Initial Interest Reset Date:
Funding Note Calculation Agent:	Interest Reset Dates:
Authorized Denominations:	Interest Determination Date(s):
Funding Note Collateral: Allstate Life Insurance Company Funding Agreement No(s). [ ], all proceeds of such Funding Agreement(s), all books and records pertaining to such Funding Agreement(s) and all rights of Global Funding pertaining to the foregoing.	Interest Payment Dates:
Additional Amounts to be Paid: // Yes // No	Maximum Interest Rate, if any:
Additional/Other Terms:	Minimum Interest Rate, if any:
	Fixed Rate Commencement Date, if any:
	Fixed Interest Rate, if any:
	Day Count Convention:
	Additional/Other Terms:

This note certificate (the "Funding Note Certificate") represents a duly authorized funding note (the "Funding Note") of Allstate Life Global Funding, a statutory trust organized under the laws of the State of Delaware ("Global Funding"). The Funding Note is being issued in connection with the issuance and sale by the trust specified above (the "Trust") of the trust notes identified on Annex A to that certain series instrument to which Global Funding and the Trust

are parties (the "Series Instrument") (the "Trust Notes"). The Funding Note is being issued under the Funding Note Indenture, dated as of the date hereof (as amended or supplemented from time to time, the "Indenture") between Global Funding and J.P. Morgan Trust Company, National Association, as funding note indenture trustee (including any successor, the "Funding Note Indenture Trustee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed in the Standard Funding Note Indenture Terms, dated as of [ ] (as amended or supplemented from time to time, the "Standard Funding Note Indenture Terms").

Subject to the immediately following paragraph, Global Funding, for value received, hereby promises to pay to the Holder or Holders of the Funding Note on the Maturity Date (as defined below) (or on the date of redemption or repayment by Global Funding) the principal amount of the Funding Note and, if so specified above, to pay interest from time to time on the Funding Note from the Original Issue Date specified above (the "Original Issue Date") or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the rate per annum determined in accordance with the provisions on the reverse hereof and as specified above, until the principal of the Funding Note is paid or made available for payment and to pay such other amounts due and owing with respect to the Funding Note.

This Funding Note Certificate shall be surrendered for cancellation by or on behalf of the Trust, and shall be cancelled by the Funding Note Indenture Trustee, immediately upon the assignment by Global Funding to, or as directed by, the Trust of each funding agreement identified on Annex A to the Series Instrument (each, a "Funding Agreement") in accordance with the terms of the Funding Note and the Coordination Agreement, and such cancellation shall operate as a redemption of the Funding Note.

On any exchange or purchase and cancellation of the Funding Note, details of such exchange or purchase and cancellation shall be entered in the records of Global Funding. Upon

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any such exchange or purchase and cancellation, the principal amount of the Funding Note shall be charged by the principal amount so exchanged or purchased and cancelled, as provided in the Standard Funding Note Indenture Terms.

Unless otherwise set forth above, if the Funding Note is subject to an Annual Redemption Percentage Reduction as specified above, the Redemption Price of the portion of the Funding Note represented by this Funding Note Certificate shall initially be the Initial Redemption Percentage of the principal amount of the portion of the Funding Note represented by this Funding Note Certificate on the Initial Redemption Date and shall decline at each anniversary of the Initial Redemption Date (each such date, a "Redemption Date") by the Annual Redemption Percentage Reduction of such principal amount until the Redemption Price is 100% of such principal amount.

The Funding Note will mature on the earlier of the Stated Maturity Date and the Maturity Date (as defined in the Trust Notes) of the Trust Notes (the "Trust Notes Maturity Date"), unless its principal (or, any installment of its principal) becomes due and payable prior to any such date, whether, as applicable, by the declaration of acceleration of maturity, notice of redemption at the option of Global Funding, notice of the Holder's option to elect repayment or otherwise (the Stated Maturity Date, the Trust Notes Maturity Date or any date prior to any such date on which the Funding Note becomes due and payable, as the case may be, are referred to as the "Maturity Date" with respect to principal of the Funding Note repayable on such date).

Unless otherwise provided above and except as provided in the following paragraph, Global Funding will pay interest on each Interest Payment Date specified above, commencing with the first Interest Payment Date next succeeding the Original Issue Date, and on the Maturity Date; PROVIDED that any payment of principal, premium, if any, interest or other amounts to be made on any Interest Payment Date or on a Maturity Date that is not a Business Day shall be made on the next succeeding Business Day, PROVIDED, HOWEVER, with respect to an Interest Payment Date other than the Maturity Date, if the Funding Note is a LIBOR Note (as defined in Section 3 on the reverse hereof) and that next succeeding Business Day falls in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

Unless otherwise specified above, the interest payable on each Interest Payment Date or on the Maturity Date will be the 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").

Reference is hereby made to the further provisions of the Funding Note set forth on the reverse hereof and, if so specified on the face hereof, in an Addendum hereto, which further provisions shall for all purposes have the same force and effect as if set forth on the face hereof.



Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to the Funding Note as specified above, the Funding Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

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The Funding Note or the portion thereof represented by this Funding Note Certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by the Funding Note Indenture Trustee pursuant to the Funding Note Indenture.

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IN WITNESS WHEREOF, Global Funding has caused this instrument to be duly executed on its behalf.

Dated: Original Issue Date ALLSTATE LIFE GLOBAL FUNDING,  
as Issuer

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

CERTIFICATE OF AUTHENTICATION

This Funding Note Certificate is one of the Funding Note Certificates representing the Funding Note described in the within-mentioned Funding Note Indenture and is being issued in accordance with Section 2.5(f) of the Funding Note Indenture.

Dated: Original Issue Date J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Funding Note Indenture Trustee

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

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[REVERSE OF DEFINITIVE SECURITY]

SECTION 1. GENERAL. This Funding Note is being issued pursuant to the Funding Note Indenture in connection with the issuance and sale by the Trust of the Trust Notes. The Funding Note shall be surrendered for cancellation by or on behalf of the Trust, and shall be cancelled by the Funding Note Indenture Trustee, immediately upon the assignment by Global Funding to, or as directed by, the Trust of each Funding Agreement, and such cancellation shall operate as a redemption of the Funding Note.

SECTION 2. CURRENCY. The Funding Note is denominated in, and payments of principal of, premium, if any, and interest on, if any, and other amounts in respect of, the Funding Note will be in the Specified Currency designated on the face hereof. If the specified currency of the Funding Note is other than U.S. Dollars (or "Foreign Currency Note"), any amounts so payable by Global Funding in the Specified Currency will be converted by the exchange rate agent designated on the face hereof (the "Exchange Rate Agent") into United States dollars for payment to the registered holders hereof unless otherwise specified on the face hereof or a registered holder elects, in the manner described below, to receive payments in the Specified Currency.

If the Specified Currency for a Foreign Currency Note 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 the control of Global Funding, Global Funding will be entitled to satisfy the obligations to the registered holders of the Foreign Currency Note by making payments in United States dollars 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 Global Funding 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 the Foreign Currency Note 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 the Foreign Currency Note by deductions from any payments. If three bid quotations are not available,

payments will be made in the Specified Currency.

Registered holders of a Foreign Currency Note 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 Funding Note Indenture Trustee at its corporate trust office in The City of New York on or prior to the applicable Regular Interest 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 Funding Note Indenture Trustee on or prior to a Regular Interest Record Date or at least fifteen calendar days prior to the Maturity Date, as the case may be. Registered holders of a Foreign Currency Note to be held in the name of a broker or nominee should contact their broker or

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nominee to determine whether and how an election to receive payments in the Specified Currency may be made.

Unless otherwise specified on the face hereof, if the Specified Currency is other than United States dollars, if the Holder hereof elects to receive payments of principal, premium, if any, and/or interest, if any, in the Specified Currency, the Holder must notify the Funding Note Indenture Trustee of that election on or prior to the fifth Business Day after the applicable Regular Interest 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 Funding Note Indenture Trustee on or prior to such dates, then the Holder will receive payments in the Specified Currency.

Unless otherwise specified on the face hereof, if payment in the Specified Currency hereon is not available to Global Funding 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 Global Funding's control, then Global Funding will be entitled to satisfy its obligations 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. Any payment in respect hereof made under such circumstances in U.S. Dollars will not constitute an Event of Default under the Funding Note Indenture.

In the event that a member state of the European Union in whose national currency the Funding Note is denominated becomes a participant member in the third stage of the European economic and monetary union, Global Funding may on or after the date of such occurrence, without the consent of any Holder hereof, redenominate all, but not less than all, of the Principal amount of the Funding Note represented hereby.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and, in the absence of manifest error, shall be conclusive for all purposes and binding on any Holder hereof.

All currency exchange costs will be borne by the Holder hereof by deduction from the payments made hereon.

### SECTION 3. DETERMINATION OF INTEREST RATE AND OTHER PAYMENT PROVISIONS.

**FIXED RATE NOTE.** If the Funding Note is designated on the face hereof as a "Fixed Rate Note," the Funding Note will bear interest from the Original Issue Date until the Maturity Date. Unless otherwise specified on the face hereof, the rate of interest payable on the Funding Note will not be adjusted; unless otherwise specified on the face hereof, interest will be payable on the Interest Payment Dates set forth on the face hereof and at the Maturity Date. Interest 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 Fixed Rate Note falls on a day that is not a Business Day, any

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payments of principal, premium, if any, and/or interest or other amounts required to be made, may be made on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

**DISCOUNT NOTE.** If the Funding Note is designated on the face hereof as a "Discount Note" (as defined below), payments in respect of the Funding Note shall be made as set forth on the face hereof. In the event a Discount Note is redeemed, repaid or accelerated, the amount payable to the Holder of the Discount Note on the Maturity Date will be equal to the sum of (1) the Issue

Price (increased by any accruals of discount) and, in the event of any redemption of the Discount Note, if applicable, multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable); and (2) any unpaid interest accrued on the Discount Note to the date of redemption, repayment or acceleration of maturity, as applicable. For purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity of the Funding Note occurs for a Discount Note, the 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 a Discount Note (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to a Discount Note and an assumption that the maturity of such Discount Note will not be accelerated. If the period from the date of issue to the first Interest Payment Date for a Discount Note (the "Initial Period") is shorter than the compounding period for such Discount Note, 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 Funding Note is a "Discount Note" if its Issue Price 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 Date.

AMORTIZING NOTE. If the Funding Note is specified on the face hereof as an "Amortizing Note," the Funding Note shall bear interest at the rate set forth on the face hereof, and payments of principal and interest shall be made as set forth on the face hereof and/or in accordance with SCHEDULE I attached hereto. Unless otherwise specified on the face hereof, interest on the Funding Note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to an Amortizing Note will be applied first to interest due and payable on the Funding Note and then to the reduction of the unpaid principal amount of the Funding Note.

FLOATING RATE NOTE. If the Funding Note is specified on the face hereof as a "Floating Rate Note," interest on the Funding Note shall accrue and be payable in accordance with this Section 3. A Floating Rate Note may be a CD Rate Note, CMT Rate Note, Commercial Paper Rate Note, Eleventh District Cost of Funds Rate Note, Federal Funds Rate Note, LIBOR Note, EURIBOR Note, Prime Rate Note, Treasury Rate Note, or as otherwise set forth on the face hereof. If the Funding Note is designated on the face hereof as a Floating Rate Note, the face hereof will specify whether the Funding Note is a Regular Floating Rate Note, Inverse Floating Rate Note or Floating Rate/Fixed Rate Note. For the period from the date of issue to, but not including, the first Interest Reset Date set forth on the face hereof, the interest rate hereon shall

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be the Initial Interest Rate specified on the face hereof. Thereafter, the interest rate hereon will be reset as of and be effective as of each Interest Reset Date.

- (A) If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day; PROVIDED, HOWEVER, that if the Funding Note is a LIBOR Note and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the Business Day immediately preceding such Interest Reset Date.
- (B) Unless specified otherwise on the face hereof, Interest Reset Dates are as follows: (1) if the Funding Note resets daily, each Business Day, (2) if the Funding Note resets weekly, other than Treasury Rate Note, the Wednesday of each week, (3) if the Funding Note is a Treasury Rate Note that resets weekly, and except as provided below under "Treasury Rate Note," the Tuesday of each week, (4) if the Funding Note resets monthly, the third Wednesday of each month, unless the Eleventh District Cost of Funds Rate is the Interest Rate Basis (as defined below) applicable to the Funding Note, in which case the Funding Note will reset the first calendar day of the month, (5) if the Funding Note resets quarterly, the third Wednesday of March, June, September and December of each year, (6) if the Funding Note resets semiannually, the third Wednesday of each of the two months specified on the face hereof and (7) if the Funding Note resets annually, the third Wednesday of the month specified each year; PROVIDED, HOWEVER, that with respect to a Floating Rate/ Fixed Rate Note, the rate of interest thereon will not reset after the particular Fixed Rate Commencement Date specified on the face hereof (the "Fixed Rate Commencement Date").
- (C) Accrued interest is calculated by multiplying the principal amount of the 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 Floating Rate Note 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 Floating Rate Note as to which the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. The interest factor for a Floating Rate Note 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 on the face hereof applied. The interest rate shall be set forth on the face hereof. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on that date. Unless otherwise specified on the face hereof, the interest rate that is effective on the applicable Interest Reset Date will be determined on the applicable Interest Determination Date and calculated on the applicable Funding Note Calculation Date (as defined below). "Funding Note Calculation Date" means the date by which the Funding Note Calculation Agent designated on the face hereof, is to calculate the interest rate which will be the earlier of (1) the

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tenth calendar day after the particular Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day; or (2) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

- (D) Unless otherwise specified on the face hereof, all percentages resulting from any calculation on a Floating Rate Note will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. All dollar amounts used in or resulting from any calculation on a Floating Rate Note 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).

Unless otherwise specified on the face hereof and except as provided below, interest will be payable as follows: (1) if the Interest Reset Date for the Funding Note is daily, weekly or monthly, interest will be payable on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified on the face hereof, (2) if the Interest Reset Date for the Funding Note is quarterly, interest will be payable on the third Wednesday of March, June, September, and December of each year, (3) if the Interest Reset Date for the Funding Note is semiannually, interest will be payable on the third Wednesday of each of two months specified on the face hereof of each year, (4) if the Interest Reset Date for the Funding Note is annually, interest will be payable on the third Wednesday of the month specified on the face hereof of each year. In each of these cases, interest will also be payable on the Maturity Date.

If specified on the face hereof, the Funding Note may have either or both of a Maximum Interest Rate or Minimum Interest Rate. If a Maximum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for a Floating Rate Note cannot ever exceed such Maximum Interest Rate and in the event that the interest rate on any Interest Reset Date would exceed such Maximum Interest Rate (as if no Maximum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Maximum Interest Rate. If a Minimum Interest Rate is so designated, the interest rate that may accrue during any Interest Period for a Floating Rate Note cannot ever be less than such Minimum Interest Rate and in the event that the interest rate on any Interest Reset Date would be less than such Minimum Interest Rate (as if no Minimum Interest Rate were in effect) then the interest rate on such Interest Reset Date shall be the Minimum Interest Rate. Notwithstanding anything to the contrary contained herein, if the Funding Note is designated on the face hereof as a Floating Rate Note, the interest rate on the Funding Note shall not exceed the maximum interest rate permitted by applicable law.

All determinations of interest by the Funding Note Calculation Agent designated on the face hereof will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of the Funding Note and neither the Funding Note Indenture Trustee nor the Funding Note Calculation Agent shall have any liability to the Holder of the Funding Note in respect of any determination, calculation, quote or rate made or provided by the Funding Note Calculation Agent. Upon request of the Holder of the Funding Note, the Funding Note Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become

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effective on the next Interest Reset Date with respect to the Funding Note. If the Funding Note Calculation Agent is incapable or unwilling to act as such or if the Funding Note Calculation Agent fails duly to establish the interest rate for any interest accrual period or to calculate the interest amount or any other

requirements, Global Funding will appoint a successor to act as such in its place. The Funding Note Calculation Agent may not resign its duties until a successor has been appointed and such successor has accepted its appointment.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date, the rate of interest on the Funding Note on and after the first Interest Reset Date shall be the interest rate determined in accordance with the provisions of the heading below which has been designated as the Interest Rate Basis on the face hereof (the "Interest Rate Basis"), the base rate, plus or minus the Spread, if any, specified on the face hereof and/or multiplied by the Spread Multiplier, if any, specified on the face hereof.

- (A) CD RATE NOTE. If the Interest Rate Basis is the CD Rate, the Funding Note shall be deemed to be a "CD Rate Note". A CD Rate Note will bear interest at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the CD Rate on each Interest Determination Date. The Interest Determination Date is the second Business Day immediately preceding the related Interest Reset Date. "CD Rate" means the rate on the particular Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published in H.15(519) (as defined below) under the caption "CDs (secondary market)", or, if not so published by 3:00 P.M., New York City time, on the related Funding Note Calculation Date, the rate on the particular Interest Determination Date for negotiable United States dollar certificates of the particular Index Maturity as published in the H.15 Daily Update (as defined below) or other recognized electronic source used for the purpose of displaying the applicable rate under the heading "CDs (secondary market)". If such rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 P.M., New York City time, on the related Funding Note Calculation Date, then the CD Rate will be the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note 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, if the dealers so selected by the Funding Note Calculation Agent are not quoting as described in the preceding sentence, the CD Rate in effect on the particular Interest Determination Date. "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; and "H.15 Daily Update" means the daily update of H.15(519), available through the Board of Governors of the Federal Reserve

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System at <http://www.federalreserve.gov/releases/H15/update>, or any successor site or publication.

- (B) CMT RATE NOTE. If the Interest Basis is the CMT Rate, the Funding Note shall be deemed to be a "CMT Rate Note". A CMT Rate Note will bear interest at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the CMT Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is the second Business Day prior to the Interest Reset Date. "CMT Rate" means (1) if CMT Moneyline Telerate Page 7051 is specified on the face hereof: (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 Funding Note 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

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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 one 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 Funding Note 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 Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 Funding Note 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 on the face hereof (a) the percentage equal to the one-week or one-month, as specified on the face hereof, average yield for United States Treasury securities at "constant maturity" having the Index Maturity specified on the face hereof 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 on the face hereof, 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 on the face hereof, 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 Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 one 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 Funding Note 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 Funding Note 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 Funding Note Calculation Agent from five Reference Dealers selected by the Funding Note 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 Funding Note 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 on the face hereof 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.

(C) COMMERCIAL PAPER RATE NOTE. If the Interest Rate Basis is the Commercial Paper Rate, the Funding Note shall be deemed to be a "Commercial Paper Rate Note". A Commercial Paper Rate Note will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Commercial Paper Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "Commercial Paper Rate" means the Money Market Yield (calculated as described below) on the Interest Determination Date of the rate for commercial paper having the applicable Index Maturity as such rate is published in H.15(519) under the heading "Commercial Paper -- Nonfinancial". If such rate is not published by 3:00 P.M., New York City time, on the Funding Note Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial

paper having the particular Index Maturity as published on H.15 Daily Update or such other recognized electronic source used for the purposes of displaying the applicable rate, under the caption "Commercial Paper -- Nonfinancial", or if such rate is not published by 3:00 P.M., New York City time, on the Funding Note Calculation Date, then the Commercial Paper Rate as calculated by the Funding Note Calculation Agent shall be 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 Funding Note 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; PROVIDED, HOWEVER, that if the dealers selected by the Funding Note Calculation Agent are not quoting offered rates as mentioned above, the Commercial Paper Rate in effect on the particular Interest Determination Date.

"Money Market Yield" shall be 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 per annum rate for the 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 Period.

- (D) ELEVENTH DISTRICT COST OF FUNDS RATE NOTE. If the Interest Basis is the Eleventh District Costs of Funds Rate, the Funding Note shall be deemed to be a "Eleventh District Cost of Funds Rate Note". An Eleventh District Cost of Funds Note will bear interest at the interest rate calculated with reference to the Eleventh District Cost of Funds Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Eleventh District Cost of Rate on each applicable Interest Determination Date. The applicable Interest Determination Date is 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 Eleventh District Index. The "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 "Eleventh District 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 Eleventh District Index on or prior to the particular Interest Determination Date for the calendar month

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immediately preceding that Interest Determination Date, the Eleventh District Cost of Funds Rate in effect on the particular Interest Determination Date.

- (E) FEDERAL FUNDS RATE NOTE. If the Interest Rate Basis is the Federal Funds Rate, the Funding Note shall be deemed to be a "Federal Funds Rate Note". A Federal Funds Rate Note will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Federal Funds Rate on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 (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 Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note 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 Funding Note Calculation Agent are not quoting as mentioned in clause (3), the Federal Funds Rate in effect on the particular Interest Determination Date.

- (F) LIBOR NOTE. If the Interest Rate Basis is LIBOR (as defined below), the Funding Note shall be deemed to be a "LIBOR Note". A LIBOR Note will bear interest for each Interest Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any. On each applicable Interest Determination Date the Funding Note Calculation Agent will determine LIBOR. The applicable Interest Determination Date is the second London Banking Day preceding the related Interest Reset Date.

LIBOR means: (1) if "LIBOR Moneyline Telerate" is specified on



the face hereof or if neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating

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LIBOR, the rate for deposits in the LIBOR Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the related Interest Reset Date, that appears on the LIBOR Page (as defined below) as of 11:00 A.M., London time, on the particular Interest Determination Date, or (2) if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered rates, calculated by the Funding Note 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 Funding Note Calculation Agent of at least two offered quotations obtained by the Funding Note 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 Funding Note 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 Funding Note 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 Funding Note 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 (5) if the banks so selected by the Funding Note 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 on the face hereof as to which LIBOR shall be calculated or, if no currency is specified on the face hereof, United States dollars.

"LIBOR Page" means either: if "LIBOR Reuters" is specified on the face hereof as the method for calculating LIBOR, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified on the face hereof (or any other page as may replace that page on that service) for the purpose of displaying the London interbank rates of

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major banks for the LIBOR Currency; or if "LIBOR Moneyline Telerate" is specified on the face hereof or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on Moneyline Telerate (or any successor service) on the page specified on the face hereof (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.

"London Banking Day" means a day on which commercial banks are open for business (including dealings in the LIBOR Currency) in London.

- (G) EURIBOR RATE NOTE. If the Interest Rate Basis is EURIBOR (as defined below), the Funding Note shall be deemed to be a "EURIBOR Note". A EURIBOR Note will bear interest at the rates (calculated with references to the European inter-bank offered rate for deposits in Euro, or "EURIBOR", and the Spread and/or Spread Multiplier, if any) specified on the face hereof.

"EURIBOR" means, with respect to any Interest Determination Date relating to a EURIBOR Note or if the Funding Note bears interest

at a floating rate for which the interest rate is determined with reference to EURIBOR (a "EURIBOR Interest Determination Date"), the rate for deposits in Euros as sponsored, calculated and published jointly by the European Banking Federation and ACI -- The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, as the rate appears on Moneyline Telerate, Inc., or any successor service, on page 248 (or any other page as may replace that specified page on the service) ("Moneyline Telerate Page 248") as of 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 248, or is not so published by 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date, such rate will be calculated by the Funding Note Calculation Agent and will be the arithmetic mean of at least two quotations obtained by the Funding Note Calculation Agent after requesting the principal Euro-zone (as defined below) offices of four major banks in the Euro-zone interbank market to provide the Funding Note Calculation Agent with its offered quotation for deposits in Euros for the period of the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, to prime banks in the Euro-zone interbank market at approximately 11:00 A.M., Brussels time, on the applicable EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euro in the market at that time. If fewer than two such quotations are so provided, the rate on the applicable EURIBOR Interest Determination Date will be calculated by the Funding Note Calculation Agent and will be the arithmetic mean of the rates

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quoted at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date by four major banks in the Euro-zone for loans in Euro to leading European banks, having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date and in a principal amount not less than the equivalent of \$1 million in Euros that is representative for a single transaction in Euros in the market at that time. If the banks so selected by the Funding Note Calculation Agent are not quoting as mentioned above, EURIBOR will be EURIBOR in effect on the applicable EURIBOR Interest Determination Date.

"Euro-zone" means the region comprised of 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.

- (H) PRIME RATE NOTE. If the Interest Rate Basis is the Prime Rate, the Funding Note shall be deemed to be a "Prime Rate Note". A Prime Rate Note will bear interest for each Interest Reset Date calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any, subject to the Minimum Interest Rate and/or Maximum Interest Rate, if any, specified on the face hereof. The Funding Note Calculation Agent will determine the Prime Rate for each Interest Reset Date on each applicable Interest Determination Date. The Interest Determination Date is the Business Day immediately preceding the related Interest Reset Date. "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 Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Agent, or (5) if the banks so selected by the

Funding Note 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.

- (I) TREASURY RATE NOTE. If the Interest Rate Basis is the Treasury Rate, the Funding Note shall be deemed to be a "Treasury Rate Note". A Treasury Rate Note will bear interest for each Interest Reset Date at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any. The Funding Note Calculation Agent will determine the Treasury Rate on each Treasury Rate Determination Date (as defined below). "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 on the face hereof 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 Funding Note 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 Funding Note 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 Funding Note 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 Funding Note Calculation Date, the rate on the particular Interest Determination Date calculated by the Funding Note 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 Funding Note Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified on the face hereof, or (7) if the dealers so selected by the Funding Note 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 Period.

The "Treasury Rate Determination Date" for each Interest Reset Date means the day in the week in which the related Interest Reset Date falls on which day Treasury Bills 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.

- (J) REGULAR FLOATING RATE NOTE. Unless the Funding Note is designated as a Floating Rate/Fixed Rate Note or an Inverse Floating Rate Note, or as having an Addendum attached or having other/additional provisions apply, in each case relating to a different interest rate formula, the Funding Note that bears interest at floating rates will be a Regular Floating Rate Note 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. Commencing on the first Interest Reset Date, as specified on the face hereof, the rate at which interest on a Regular Floating Rate Note 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.
- (K) FLOATING RATE/FIXED RATE NOTE. If the Funding Note is designated as a "Floating Rate/Fixed Rate Note" on the face hereof, the Funding Note that bears interest at floating rates 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 Floating Rate/Fixed Rate Note 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 on the face hereof; and the interest rate in effect commencing on the Fixed Rate

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Commencement Date will be the Fixed Interest Rate, if specified on the face hereof, or, if not so specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

- (L) INVERSE FLOATING RATE NOTE. If the Funding Note is designated as an "Inverse Floating Rate Note" on the face hereof, the Inverse Floating Rate shall be equal to 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 an Inverse Floating Rate Note will not be less than zero. Commencing on the first Interest Reset Date, the rate at which interest on an Inverse Floating Rate Note 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.

SECTION 4. OPTIONAL REDEMPTION. If any Initial Redemption Date is specified on the face hereof, Global Funding may redeem the Funding Note prior to the Stated Maturity Date at its option on any Business Day on or after the Date Initial Redemption in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified on the face hereof at the applicable Redemption Price (as defined below) together with any unpaid interest accrued on the Funding Note, any Additional Amounts and other amounts payable with respect thereto, as of the Redemption Date. Unless otherwise specified in the Funding Note Indenture or on the face hereof, Global Funding shall give a notice of such redemption to the Holder of any portion of the Funding Note to be redeemed not more than 60 nor less than 30 days prior to the Redemption Date. "Redemption Price" means an amount equal to the Initial Redemption Percentage specified on the face hereof (as adjusted by the Annual Redemption Percentage Reduction, if applicable) multiplied by the unpaid principal amount of the Funding Note to be redeemed. The Initial Redemption Percentage, if any, shall decline at each anniversary of the Initial Redemption Date by an amount equal to the applicable Annual Redemption Percentage Reduction, if any, until the Redemption Price is equal to 100% of the unpaid amount the Funding Note to be redeemed.

SECTION 5. SINKING FUNDS AND AMORTIZING NOTE. Unless otherwise specified on the face hereof or unless the Funding Note is an Amortizing Note, the Funding Note will not be subject to, or entitled to the benefit of, any sinking fund. If it is specified on the face hereof that the Funding Note is an Amortizing Note, Global Funding will make payments combining principal and interest on the dates and in the amounts set forth in the table appearing in SCHEDULE I, attached to this Funding Note Certificate. If the Funding Note is an Amortizing Note, payments made on the Funding Note will be applied first to interest due and payable on each such payment date and then to the reduction of the unpaid principal amount.

SECTION 6. OPTIONAL REPAYMENT. If so specified on the face hereof, the Holder or Holders of the Funding Note may require Global Funding to repay the

Funding Note on the Optional Repayment Date(s) specified on the face hereof, in whole or from time to time, in part, in increments of U.S.\$1,000 or any other integral multiple of an authorized denomination

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specified on the face hereof (PROVIDED that any remaining principal amount of the Funding Note shall be at least U.S.\$1,000 or any other integral multiple of an authorized denomination specified on the face hereof), at a repayment price equal to 100% of the unpaid principal amount of the Funding Note to be repaid, together with unpaid interest accrued thereon to the Repayment Date (as defined below) and any other amounts then due and owing. For the Funding Note or any portion thereof to be so repaid, the Funding Note Indenture Trustee must receive at its Corporate Trust Office not more than 60 nor less than 30 calendar days prior to the applicable Repayment Date, a properly completed Option to Elect Repayment form, which is attached hereto as Annex A, forwarded by the Holder or Holders of the Funding Note. Exercise of such repayment option shall be irrevocable. As used herein, the term "Repayment Date" shall mean the date fixed for repayment in accordance with the repayment provisions specified above.

SECTION 7. TAX REDEMPTION. If (i) Global Funding is required at any time to pay Additional Amounts (as defined below) or if Global Funding is obligated to withhold or deduct any United States taxes with respect to any payment under the Funding Note, as set forth in the Funding Note Certificate, or if there is a material probability that Global Funding 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's or Global Funding'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 the terms of such Funding Agreement, then Global Funding will redeem the Funding Note 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.

Unless otherwise specified in the Funding Note Indenture or on the face hereof, Global Funding shall give a notice of such redemption to the Holder of the Funding Note to be redeemed not more than 75 days nor less than 30 days prior to the Redemption Date; PROVIDED, that no such notice of redemption may be given earlier than 90 days prior to the earliest day on which Global Funding would become obligated to pay the applicable Additional Amounts were a payment in respect of the Funding Note then due. Failure to give such notice to the Holder of any portion of the Funding 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 portion of the Funding Note.

SECTION 8. MODIFICATIONS AND AMENDMENTS. The Funding Note Indenture contains provisions permitting Global Funding and the Funding Note Indenture Trustee (1) without the consent of any Holder, to execute Supplemental Funding Note Indentures for limited purposes and take other actions set forth in the Funding Note Indenture, and (2) with the consent of the Holder or Holders of not less than 66 2/3% of the outstanding principal amount of the Funding Note, evidenced as provided in the Funding Note Indenture, to execute Supplemental Funding Note Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Funding Note Indenture or any Supplemental Funding Note Indenture or modifying in any manner the rights of the Holder or Holders of the Funding Note subject to

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specified limitations.

SECTION 9. OBLIGATIONS UNCONDITIONAL. No reference herein to the Funding Note Indenture and no provision of the Funding Note or of the Funding Note Indenture shall alter or impair the obligation of Global Funding, which is absolute and unconditional, to pay the principal of, interest on, or any other amount due and owing with respect to, the Funding Note at the places, at the respective times, at the rate, and in the coin or currency, herein prescribed.

SECTION 10. FUNDING NOTE COLLATERAL. Pursuant to the Funding Note Indenture, Global Funding will pledge and collaterally assign the relevant Funding Agreement(s) issued by the Funding Agreement Provider in connection with the issuance of the Funding Note (each, a "Funding Agreement") to the Funding Note Indenture Trustee. The Funding Note will be secured by the Security Interest in the Funding Note Collateral in favor of the Funding Note Indenture Trustee for the benefit of each Holder of the Funding Note and each other person for whose benefit the Funding Note Indenture Trustee is or will be holding the

Funding Note Collateral (the "Secured Parties").

SECTION 11. SECURITY; LIMITED RECOURSE. The Funding Note is solely the obligation of Global Funding, and will not be guaranteed by any person, including but not limited to the Funding Agreement Provider, any Allstate Life Global Funding Trust, any Agent, the Global Funding Trust Beneficial Owner, the Delaware Trustee, the Funding Note Indenture Trustee or any of their affiliates. Global Funding's obligations under the Funding Note will be secured by all of Global Funding's rights and title in one or more Funding Agreement(s) issued by the Funding Agreement Provider and other rights and assets included in the applicable Funding Note Collateral. The Holder or Holders of the Funding Note have no direct contractual rights against the Funding Agreement Provider under the Funding Agreement(s). Under the terms of each Funding Agreement, recourse rights to the Funding Agreement Provider will belong to Global Funding, its successors and permitted assignees. Global Funding has pledged and collaterally assigned each Funding Agreement to the Funding Note Indenture Trustee and has granted the Security Interest in the Funding Note Collateral to the Funding Note Indenture Trustee for the benefit of the Secured Parties. Recourse to the Funding Agreement Provider under each Funding Agreement will be enforceable only by the Funding Note Indenture Trustee on behalf of the Secured Parties.

SECTION 12. EVENTS OF DEFAULT. If one or more Events of Default, as defined in the Funding Note Indenture, shall have occurred and be continuing with respect to the Funding Note, then, and in every such event, unless the principal of the Funding Note shall have already become due and payable, the entire principal and premium (if any) of the Funding Note, any interest accrued thereon, and any Additional Amounts due and owing and any other amounts payable with respect thereto, may be declared to be, and upon any such declaration the same shall become immediately, due and payable; provided that, with respect to certain Events of Default, without any notice to Global Funding or any other act by the Funding Note Indenture Trustee or any Holder of the Funding Note, the entire principal and premium (if any) of the Funding Note, 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. If the Funding Note is a

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Discount Note, the amount of principal of the Funding Note that becomes due and payable upon such acceleration shall be equal to the amount calculated as set forth in Section 3 hereof.

SECTION 13. WITHHOLDING; ADDITIONAL AMOUNTS. All amounts due in respect of the Funding Note 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 payments on the Funding Note unless the withholding or deduction is required by law. Unless otherwise specified on the face hereof, Global Funding will not pay any Additional Amounts to the Holders of the Funding Note 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 or repay the Funding Note and shall not constitute an Event of Default.

SECTION 14. LISTING. Unless otherwise specified on the face hereof, the Funding Note will not be listed on any securities exchange.

SECTION 15. NO RECOURSE. Notwithstanding anything to the contrary contained in the Funding Note Indenture, or the Funding Note Certificate or Supplemental Funding Note Indenture, none of the Funding Agreement Provider, its officers, directors, affiliates, employees or agents, or any of the Delaware Trustee, the Funding Note Indenture Trustee or the Global Funding Trust Beneficial Owner, or any of their officers, directors, affiliates, employees or agents (the "Non-recourse 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 Funding Note. If any Event of Default shall occur with respect to the Funding Note, the right of the Holders of the Funding Note and the Funding Note Indenture Trustee on behalf of such Holders in connection with a claim on the Funding Note shall be limited solely to a proceeding against the Funding Note Collateral. Neither the Holders nor the Funding Note Indenture Trustee on behalf of the Holders will have the right to proceed against the Non-recourse Parties to enforce the Funding Note (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 Funding Note Collateral.

SECTION 16. GOVERNING LAW. Pursuant to Section 5-1401 of the General Obligations Law of the State of New York, the Funding Note shall be governed by, and construed in accordance with, the laws of the State of New York.

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INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Amendment No. 2 to Registration Statement No. 333-112249 of Allstate Life Global Funding and Allstate Life Insurance Company on Form S-3 of our report dated February 5, 2003, appearing in the Annual Report on Form 10-K of Allstate Life Insurance Company for the year ended December 31, 2002, and to the reference to us under the heading "Experts" in the prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
March 18, 2004



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) /X/

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION  
(EXACT NAME OF TRUSTEE AS SPECIFIED IN ITS CHARTER)

A NATIONAL BANKING ASSOCIATION

95-4655078  
(I.R.S. EMPLOYER  
IDENTIFICATION NUMBER)

101 CALIFORNIA STREET, FLOOR 38  
SAN FRANCISCO, CALIFORNIA  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

94111  
(ZIP CODE)

THOMAS F. GODFREY  
VICE PRESIDENT AND ASSISTANT GENERAL COUNSEL  
JPMORGAN CHASE BANK  
1 CHASE MANHATTAN PLAZA, 25th FLOOR  
NEW YORK, NEW YORK 10081  
(212) 552-2192

(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)

FUNDING NOTES  
(TITLE OF INDENTURE SECURITIES)

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.

Exhibit 1. Articles of Association of the Trustee as Now in Effect (see Exhibit 1 to Form T-1 filed in connection with Form 8K of the Southern California Water Company filing, dated December 7, 2001, which is incorporated by reference).

Exhibit 2. Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 333-41329, which is incorporated by reference).

- Exhibit 3. Authorization of the Trustee to Exercise Corporate Trust Powers (contained in Exhibit 2).
- Exhibit 4. Existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Form 8K of the Southern California Water Company filing, dated December 7, 2001, which is incorporated by reference).
- Exhibit 5. Not Applicable
- Exhibit 6. The consent of the Trustee required by Section 321 (b) of the Act.
- Exhibit 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.
- Exhibit 8. Not Applicable
- Exhibit 9. Not Applicable

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, J.P. Morgan Trust Company, 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 22nd day of March, 2004.

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,  
TRUSTEE

BY: /s/ Steven M. Wagner

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STEVEN M. WAGNER  
VICE PRESIDENT

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED  
BY SECTION 321(b) OF THE ACT

March 22, 2004

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 J.P. Morgan Trust Company, 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,

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION

BY: /s/ Steven M. Wagner

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STEVEN M. WAGNER  
VICE PRESIDENT

EXHIBIT 7

J. P. Morgan Trust Company, National Association Statement of Condition

December 31, 2003

(\$000)  
Assets  
Cash and  
Due From  
Banks \$  
22,115  
Securities  
141,598  
Loans and  
Leases  
106,261  
Premises  
and Fixed  
Assets  
13,111  
Intangible  
Assets  
403,878  
Goodwill  
250,539  
Other  
Assets  
50,801 ---  
-----  
Total  
Assets \$  
988,303 --  
-----  
Liabilities  
Deposits \$  
119,625  
Other  
Liabilities  
112,490 --  
-----  
Total  
Liabilities  
232,115  
Equity  
Capital  
Common  
Stock 600  
Surplus  
701,587  
Retained  
Earnings  
54,001 ---  
-----  
Total  
Equity  
Capital  
756,188 --  
-----  
Total  
Liabilities  
and Equity  
Capital \$  
988,303 --  
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