# SECURITIES LENDING AGENCY AGREEMENT

THIS SECURITIES LENDING AGENCY AGREEMENT is made as of May 1, 2001 by and between AIG GLOBAL SECURITIES LENDING CORPORATION, a Delaware corporation ("AIG" or the "Agent"), and ANCHOR NATIONAL LIFE INSURANCE COMPANY, a Arizona corporation (the "Lender").

RECITALS:

WHEREAS, the Lender desires to enter into certain agreements (the "Securities Lending Agreements") with third parties (the "Borrowers") pursuant to which the Lender will agree to lend the Borrowers securities from time to time in the Lender's portfolio, other than municipal securities (such securities to be lent, the "Securities"); and

WHEREAS, the Lender wishes to retain the services of AIG as its agent in connection with any loans of the Securities to the Borrowers pursuant to the Securities Lending Agreements and any related transactions (collectively, the "Transactions") and the performance of the obligations of the Lender thereunder, and AIG wishes to provide such services to the Lender.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the parties hereto agree as follows:

1. Appointment and Duties of AIG

1.1 Commencing on the date hereof, the Lender hereby appoints AIG, and AIG hereby accepts such appointment, as the Lender's agent and attorney-in-fact, with full power, discretion and authority to act on behalf of the Lender in connection with the Transactions and the performance of the obligations of the Lender under the Securities Lending Agreements and without limitation, to:

(a) identify Borrowers of the Securities and negotiate the terms and conditions of the Securities Lending Agreements and the Transactions entered into with such Borrowers ;

(b) take such action as may be necessary in order to satisfy the obligations of the Lender in connection with the Transactions, including but not limited to effecting transfers of cash, Securities and other property to and from accounts maintained by the Lender with banks, brokers or counterparties and assuring proper receipt on behalf of the Lender, of all cash, securities or other property due to the Lender in connection with the Transactions;

(c) manage the Lender's relationship with banks, brokers and counterparties (including but not limited to the Borrowers) in connection with the Transactions. Without limitation of the foregoing, AIG shall monitor the creditworthiness and activities of such banks, brokers and counterparties in connection with the Transactions, review and determine the

accuracy of all reports provided to the Lender by such banks, brokers, and counterparties and use reasonable efforts to assure that any errors contained therein are promptly rectified; and

(d) provide such other services to the Lender in connection with the Transactions and the Securities Lending Agreements as may reasonably be requested by the Lender, provided that such services can reasonably be provided by the Agent.

1.2 The Lender shall notify the Borrowers, as well as any banks, brokers or counterparties involved in the Transactions or the Securities Lending Agreements on behalf of the Lender, of the authority granted to AIG hereunder, and shall authorize such persons to receive and act upon the instructions of AIG to the same extent, and with the same force and effect, as if provided by the Lender directly. Without limitation of the foregoing, the Lender shall execute such additional documents or instruments as may be necessary in order to effectuate the provisions of this Section.

1.3 The Lender hereby agrees that the authorization granted to AIG hereunder with respect to the lending of the Securities shall be exclusive during the term of this Agreement and that the Lender shall not grant to any other person the authority to act on behalf of the Lender in connection with the Transactions under the Securities Lending Agreements provided that the Lender may revoke or limit all or a portion of the authority granted to AIG hereunder by written notice to AIG (including without limitation revoking or limiting AIG's authority to lend Securities that the Lender has specified in such notice) and provided further that the Lender shall remain responsible for the satisfaction of all financial obligations arising out of Transactions entered into or other actions taken by the Agent subject to and in accordance with the terms and conditions of this Agreement prior to the effective date of any such revocation or limitation of the Agent's authority hereunder. AIG will be subject to the written permitted collateral guidelines of the Lender as may be modified from time to time. Lender will promptly provide AIG copies of any modified collateral guidelines and AIG will be under no obligation to follow such guidelines until received .

1.4 The Lender acknowledges and agrees that AIG may delegate any of its duties and responsibilities hereunder to any person or entity (regardless of whether such person or entity is affiliated with AIG), with prior written approval of the Lender. Any company that AIG delegates its authority to will be subject to all the guidelines of the Lender which AIG is subject to, including the Lender's permitted collateral guidelines. Notwithstanding such delegation, AIG shall remain responsible for such duties and responsibilities.

1.5 AIG will deposit interest earned and other collections for the Lender's Securities into the Lender's account within ten (10) business days of receipt .

2. Representations and Warranties

2.1 Each party hereby represents and warrants to the other party that:

(a) It is duly organized and validly existing under the laws of the jurisdiction in which it is organized and is qualified to do business and is in good standing in each other

jurisdiction in which the nature or conduct of its business requires such qualification and in which the failure to so qualify would materially adversely affect its ability to conduct its business activities.

(b) It has full power and authority to enter into and perform its obligations under this Agreement.

(c) This Agreement has been duly and validly authorized, executed and delivered on behalf of such party and is a valid and binding agreement of such party enforceable in accordance with its terms.

(d) The execution and delivery of this Agreement, the incurrence of the obligations set forth in this Agreement and the performance of such obligations will not violate, or constitute a breach of or default under, the governing documents of such party or any agreement or instruments by which it is bound or, to the best of such party's knowledge, any order, rule, law or regulation applicable to such party of any court or any governmental body or administrative agency or self-regulatory authority have jurisdiction over such party.

(e) There is not pending nor, to the best of such party's knowledge, threatened, any action, suit or proceeding before or by any court or other governmental or self-regulatory authority to which such party is a party which might reasonably be expected to result in any material adverse change in the financial condition or regulatory qualifications of such party or which might reasonably be expected to affect the ability of such party to perform its obligations hereunder.

(f) It, and each of its principals and employees is, and throughout the term of this Agreement will remain, in compliance, in every material respect, with any and all applicable laws and regulations material to the Transactions to be entered into, and other performance required, under the Securities Lending Agreements.

2.2 The Lender further represents and warrants that it has and will have full power and authority to enter into the Transactions pursuant to the Securities Lending Agreements and that is has and will have valid legal and beneficial ownership of all Securities which are the subject of such Transactions, free and clear of any and all liens, security interests and other encumbrances of any kind, with the exception of those created pursuant to the Transactions and the Securities Lending Agreements.

2.3 Each party will promptly notify the other of any material changes in any of the foregoing representations and warranties, or of any material change in its financial condition, business prospects or personnel.

3. <u>Covenants</u>

3.1 AIG hereby covenants and agrees as follows:

(a) In connection with its activities on behalf of the Lender, AIG will comply in all material respects with all applicable rules and regulations relating to the performance of its obligations hereunder.

(b) AIG will promptly notify the Lender of (i) the commencement of any material suit, action, investigation or other proceeding involving it or its principals, whether or not any such suits, action or proceeding also involves the Lender or the activities of AIG hereunder and (ii) any Event of Default hereunder.

(c) AIG will exercise good faith and due care in the performance of its obligations hereunder, will act at all times in the best interests of the Lender in connection therewith, and will not provide services to the Lender hereunder which it knows or has reason to know are inferior to any of those provided to any other person for which AIG provides similar services or performs similar functions.

(d) AIG acknowledges that all Transactions are entered into by the Lender as principal and as such the documents evidencing the Transactions are properties of the Lender and shall be retained by AIG for no less than seven years. AIG shall furnish the Lender with reports of all Transactions entered into by AIG hereunder and with such other information and reports regarding the services and activities of AIG hereunder or any other matters related to the Agreement or the performance of AIG's obligations hereunder as may be reasonably requested by the Lender, including information that the Lender may request in connection with any state insurance department examination of the Lender. The Lender may at any time, upon reasonable notice, inspect and take copies of the books and records of AIG in connection with the lending of the Lender's Securities and may request reports in connection therewith from AIG. In addition, no later than the tenth business day of each month, AIG will provide a report to the Lender, summarizing the lending transactions engaged in on its behalf in the preceding month.

(e) AIG shall in connection with each loan of securities receive collateral with a market value equal to at least a percentage of the market value of the securities lent, which percentage shall be 102% for domestic transactions and 105% for cross border transactions.

(f) AIG shall not lend any Securities to any affiliate of AIG. For this purpose, affiliate shall mean any person controlled by, controlling, or under common control with, American International Group, Inc.

(g) AIG shall request by the next business day all margin shortfalls to be rectified by the Borrower as required under the applicable Securities Lending Agreement.

(h) AIG shall seek the Lender's prior written consent for any loan with an initial term exceeding 30 days.

(i) AIG agrees that the Lender may request to review AIG's approved counterparty list and request that any Borrower on such list be removed insofar as any Transaction is concerned.

(j) If a lent Security has not been returned for five business days or more, as required under the applicable Securities Lending Agreement, Lender has the option (but not the obligation) of instructing the Agent to take any or all remedial action as appropriate under such Securities Lending Agreement, including without limitation the liquidation of collateral to purchase replacement Securities.

3.2 The Lender hereby covenants and agrees as follows:

(a) Upon the reasonable request of AIG, the Lender shall take any and all actions, and execute any and all documents or instruments, which are reasonably necessary in order to effectuate the Transactions entered into pursuant to the Securities Lending Agreements; and

(b) Upon the reasonable request of AIG, the Lender shall provide AIG (and/or its designated agent) with any and all data, information and documentation which are reasonably necessary to AIG's performance of its obligations hereunder (and to the performance by AIG of the Lender's obligations under the Securities Lending Agreements), in such form and manner and at such times as may be reasonably specified by AIG (and/or its designated agent).

3.3 Each party will promptly notify the other of any systems or procedural difficulties that may affect the timely and proper transfer of data and functioning of the lending program contemplated herein.

4. Compensation and Other Payments

4.1 In consideration of, and as compensation for, all of the services to be rendered by AIG under this Agreement, but subject to Section 4.3 below, AIG shall receive a monthly fee, for each calendar month in which this Agreement remains in effect, in an amount equal to 50% of all fees, other compensation or income received or earned by or on behalf of the Lender (including but not limited to securities lending fees and net interest income on the collateral, if applicable) during such calendar month in connection with Transactions entered into under the Securities Lending Agreements. Without limiting the generality of the foregoing, the parties understand that the Agent shall be responsible for all expenses it incurs in connection with the Transactions, including without limitation additional transfer and custodial expenses, and legal fees.

4.2 Without limitation of the foregoing, it is understood that the fees payable to AIG hereunder shall, unless AIG and the Lender otherwise agree, be deducted by AIG from the fees, other compensation or income received by AIG on behalf of the Lender under the Securities Lending Agreements, and the remainder of any such fees, other compensation or income shall be remitted or credited to the account of the Lender, in accordance with the Lender's instructions.

4.3 The amount of the fees due to AIG hereunder shall be calculated and determined by AIG, and the determination of AIG with respect to the amount of such fees shall be conclusive and binding absent error or omission. The fee to be paid by the Lender to AIG will not exceed the expenses that the Lender would have to incur if it were to perform such services itself.

4.4 To the extent that under the terms of a securities loan pursuant to any Securities Lending Agreement, the Borrower is required to pay to the Lender any amount in respect of any withholding tax, AIG shall collect such amount from the Borrower on behalf of the Lender and, promptly upon receipt thereof, shall pay such amount to the Lender.

5. Services Not Exclusive The services provided by AIG hereunder shall not be deemed to be exclusive and, subject to the terms of this Agreement (including but not limited to the terms of Section 3.1(c) hereof), AIG may engage in other business activities and provide services (including the services to be provided hereunder) to other persons provided that such other activities, and the provision of such other services does not materially adversely affect the capacity or the ability of AIG to continue to render the services required to be provided by it hereunder.

6. Indemnification

6.1 The Lender shall indemnify AIG, its officers, directors, stockholders, employees, agents and affiliates, and hold them harmless from and against any and all loss, liability, damage, claim, cost or expense (including but not limited to the reasonable fees and expenses of their legal counsel) arising out of or related to AIG's performance of its obligations hereunder, provided that such loss, liability, damage, claim, cost of expense did not occur as a result of or in connection with the negligence, bad faith or willful misconduct of AIG or any breach of this Agreement by AIG.

6.2 AIG shall indemnify the Lender and its officers, directors, stockholders, employees, agents and affiliates, and hold them harmless from and against any and all loss, liability, damage, claim, cost or expense (including but not limited to the reasonable fees and expenses of their legal counsel) arising out of or related to any act or omission by AIG which constitutes negligence, bad faith or willful misconduct, or any breach of this Agreement.

6.3 The provisions of this Section 6 shall survive the termination of this Agreement.

7. Term

7.1 Except as otherwise provided in Section 7.2 hereof, this Agreement shall continue in full force and effect until terminated by either party upon one month written notice to the other party.

7.2 Notwithstanding the provisions of Section 7.1 hereof, the Lender may terminate this Agreement immediately upon any change in legal or regulatory requirements materially adversely affecting the Lender's ability to participate as a Lender in the Transactions, or the occurrence of an Event of Default, as defined herein, or, if such Event of Default is curable, thirty days following the earlier of AIG's knowledge thereof or Lender's provision of written notice to AIG of such Event of Default, if such Event of Default is not cured within such thirty day period.

7.3 Any of the following events shall constitute an Event of Default hereunder:

(a) AIG shall fail to comply with the terms or conditions of this Agreement or any representation or warranty made by AIG hereunder ceases to be accurate and complete in any material respect;

(b) AIG merges with or is consolidated into another person or entity or enters into a joint venture or partnership with another person or entity which has the effect of a change in the control of AIG;

(c) AIG shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization or other similar relief with respect to itself or its debts under any bankruptcy, insolvency or similar law, or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian or other similar official (each a "Custodian") of it or any substantial part of is assets, (ii) take any corporate action to authorize any of the foregoing, or (iii) have an involuntary case or other proceeding commenced against it seeking liquidation, reorganization or other similar relief with respect to itself or its debts under any bankruptcy, insolvency or similar law, or seeking the appointment of a Custodian of it or any substantial part of its assets, and such involuntary case or other proceeding is not dismissed within sixty days of its institution or presentation; or

(d) AIG shall become bankrupt or insolvent, as defined under any applicable bankruptcy or insolvency law, or shall otherwise be unable to pay its debts as they become due.

7.4 Except as otherwise provided herein, any termination of this Agreement in accordance with this Section 7 shall be without penalty or liability to any party, except for any fees due to AIG pursuant to Section 4 hereof and except for any Securities, collateral or fees, compensation or other income belonging to the Lender.

7.5 Upon termination of this Agreement, AIG shall promptly cooperate reasonably with the Lender or its designate to effect a smooth transfer of the Securities or the Lender's loan portfolio to the Lender or such designate.

8. Confidentiality: Each of the parties shall maintain in strict confidence any and all information and documentation it may obtain concerning any other party (including, without limitation, any information and/or documentation provided to the Lender by AIG pursuant to the terms of Section 3.1(d) of this Agreement), or concerning advice rendered or Transactions entered into by AIG or on behalf of the Lender, as a result of the services to be provided under this Agreement, and shall not disclose any such information or documentation to any third parties without the prior written consent of the party from which such information or documentation was received, except as may be required by applicable law or regulation, requested by any regulatory authority or by a Party's adviser or auditor, or by order of a court of competent jurisdiction, or as may be necessary or appropriate in connection with the performance of such party's obligations hereunder.

9. Complete Agreement: This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof.

10. Assignment: This Agreement may not be assigned by either party without the express prior written consent of the other party.

11. Amendment: This Agreement may not be amended except by the written consent of the parties, provided that no amendment may be made to this Agreement without the prior written approval of the Director of the Department of Insurance of The State of Arizona.

12. Notices: All notices, demands or requests required to be made or delivered under this Agreement shall be in writing and delivered personally, by facsimile or by registered or certified mail, return receipt requested, postage prepaid, to the addresses below or to such other addresses as may be designated by the party entitled to receive the same by notice similarly given:

If to AIG:

AIG Global Securities Lending Corp.
175 Water Street
26th Floor
New York, New York 10038
Phone: (212) 458-2147
Fax: (212) 458-2244
Attention: Vice President
Securities Lending

If to the Lender, to it at :
1 SunAmerica Center
Los Angeles, CA 90067-6022
Phone: (310) 772-6000
Fax: (310) 772-6030
Attention: James Ramsay

13. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of choice of law.

14. Arbitration: In the case of any dispute or controversy arising out of or in connection with this Agreement, the parties hereto hereby agree to submit said dispute or controversy to the American Arbitration Association or similar nationally recognized dispute resolution organization in New York City for a resolution within 120 days after submission thereof by three arbitrators to be designated in accordance with the rules then in effect of the American Arbitration Association. Any decision or award by said arbitrators shall be binding on the parties hereto and, except in cases of gross fraud or misconduct by one or more of the

arbitrators, the decision or award rendered with respect to such dispute shall not be appealable. Unless otherwise determined in the arbitration award, the losing party shall bear all costs arising from any such arbitration and the fees of the arbitrators. In connection with the enforcement of any arbitration award rendered hereunder, each party hereby irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, and waives any objection which it may have at any time to the laying of venue of any action brought in such court.

15. Severability: In the event that any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect under the law of jurisdiction, the validity, legality and enforceability of the remaining provisions under the law of such jurisdiction, and the validity, legality and enforceability of such and any other provisions under the law of any other jurisdiction, shall not be in any way affected or impaired thereby.

16. Status of AIG: It is understood and agreed that AIG shall act as the agent of the Lender solely for the purposes and in accordance with the terms and conditions set forth herein, that the status of AIG shall be that of an independent contractor and that nothing set forth herein shall be deemed to constitute any partnership, joint venture, association or other separate entity between AIG and the Lender. AIG shall not represent to any person that any such partnership, joint venture, association or other separate entity between AIG and the Lender exists, or that AIG is acting on behalf of the Lender in any capacity other than that of agent and independent contractor.

IN WITNESS WHEREOF, this agreement has been executed for and on behalf of the undersigned as of the day and year first above written.

ANCHOR NATIONAL LIFE INSURANCE COMPANY

By: _____

AIG GLOBAL SECURITIES LENDING CORP.

By: _____

Title: Vice President

Peter Adamczyk
Director - AIG
Global Securities Lending

CONSENT AND AGREEMENT

The undersigned Lender under the Securities Lending Agency Agreement (the "Agreement") identified below, hereby consents, for the purposes of Section 1.4 of the Agreement, to the delegation, if any, effected by AIG Global Securities Lending Corp. (the "Agent") under each of its agreements, each as amended to date, identified below:

Affiliate Services Agreement dated October 8, 1998 with AIG Global Investment Corp. (Europe) Ltd.

Services Agreement dated October 8, 1998 with AIG Global Investment Trust Service Ltd.

Affiliate Services Agreement dated February 5, 1999 with AIG Equity Sales Corp.

Services Agreement dated March 31, 1999 with AIG Investment Corporation (Asia) Ltd.

Custody Agreement dated July 30, 1999 with Mellon Bank, N.A.

Investment Advisory Agreement dated October 6, 1999 with AIG Capital Management Corp.

Investment Advisory Agreement dated October 6, 1999 with AIG Global Investment Corp.

The undersigned Lender acknowledges that the Agent acts as securities lending agent for other lenders, that the assets of the Lender will be lent together with those of other lenders, and that any cash collateral received in connection with such loans will be invested together with those of other lenders. The Agent acknowledges that, without limiting its obligations under the Agreement, it holds such cash collateral as agent for the Lender and other lenders in a fiduciary capacity. The Agent shall receive, maintain and invest such cash collateral, allocate the principal and investment earnings among the lenders, account for the cash collateral and report on such accounting to the lenders, and return the collateral to the applicable borrower when due, all in accordance with the explicit and implied terms of the applicable agreements with the Lender, the other lenders and the borrowers.

This consent and agreement will be effective as of the date of the Agreement.

Dated:

The Agent
AIG Global Securities Lending Corp.

By _____
Name: Peter Adamczyk
Title: Director - AIG Global Securities Lending

The Lender
Anchor National Life Insurance Company

By _____
Name:
Title:

Securities Lending Agency Agreement
Dated as of May 1, 2001