

REGISTRATION NO. 33-65135

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 4
TO
FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MERRILL LYNCH & CO., INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
DELAWARE 13-2740599
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER IDENTIFICATION NO.)
INCORPORATION OR ORGANIZATION)

WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1334
(212) 449-1000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

ROSEMARY T. BERKERY, ESQ.
ASSOCIATE GENERAL COUNSEL
MERRILL LYNCH & CO., INC.
WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1334
(212) 449-6990
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPY TO:
PAUL C. PRINGLE, ESQ.
BROWN & WOOD
555 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94104

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

THIS POST-EFFECTIVE AMENDMENT NO. 4 TO THE REGISTRATION STATEMENT SHALL HEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

<TABLE>
<CAPTION>
EXHIBIT
NUMBER

DESCRIPTION

<C> <S>
1(a) --Form of Underwriting Agreement among the Company and the Underwriter.
1(b) --Form of Registration Agreement among the Company, SunAmerica Inc., the Selling Stockholder and the Underwriter.
4(a) --Senior Indenture, dated as of April 1, 1983, as amended and restated, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), incorporated herein by reference to Exhibit 99(c) to Registrant's Registration Statement on Form 8-A dated July 20, 1992.
4(b) --Form of Ninth Supplemental Indenture to the Senior Indenture between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).
4(c) --Form of certificate representing the STRYPES.
5 --Opinion of Brown & Wood.
10 --Form of Stock Agreement among the Company, the ML&Co. Subsidiary and the Selling Stockholder.
23(a) --Consent of Deloitte & Touche LLP.*
23(b) --Consent of Brown & Wood (included in Exhibit 5).
99 --Report of Deloitte & Touche LLP with respect to certain financial data appearing in the Registration Statement.*

</TABLE>

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*Previously filed.

II-2

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant 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 Post-Effective Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York and State of New York on the 5th day of June, 1996.

MERRILL LYNCH & CO., INC.

/s/ Joseph T. Willet

By _____
JOSEPH T. WILLET
(Senior Vice President and Chief
Financial Officer)

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS POST-EFFECTIVE AMENDMENT TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON THE 5TH DAY OF JUNE, 1996.

<TABLE>
<CAPTION>

SIGNATURE	TITLE
<S>	<C>
/s/ Daniel P. Tully* ----- (DANIEL P. TULLY)	Chairman of the Board, Chief Executive Officer and Director
/s/ David H. Komansky* ----- (DAVID H. KOMANSKY)	President, Chief Operating Officer and Director
/s/ Joseph T. Willet* ----- (JOSEPH T. WILLETT)	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Michael J. Castellano* ----- (MICHAEL J. CASTELLANO)	Senior Vice President and Controller
/s/ William O. Burke* -----	Director

WILLIAM O. BURKE

/s/ Worley H. Clark* Director

(WORLEY H. CLARK)

/s/ Jill K. Conway* Director

(JILL K. CONWAY)

</TABLE>

II-3

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SIGNATURE

TITLE

<S>

<C>

/s/ Stephen L. Hammerman* Director

(STEPHEN L. HAMMERMAN)

/s/ Earle H. Harbison, Jr.* Director

(EARLE H. HARBISON, JR.)

/s/ George B. Harvey* Director

(GEORGE B. HARVEY)

/s/ William R. Hoover* Director

(WILLIAM R. HOOVER)

/s/ Robert P. Luciano* Director

(ROBERT P. LUCIANO)

/s/ Aulana L. Peters* Director

(AULANA L. PETERS)

/s/ John J. Phelan, Jr.* Director

(JOHN J. PHELAN, JR.)

/s/ William L. Weiss* Director

(WILLIAM L. WEISS)

*By: /s/ Joseph T. Willett

JOSEPH T. WILLETT
(ATTORNEY-IN-FACT)

</TABLE>

II-4

EXHIBIT INDEX

<TABLE>
<CAPTION>

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PAGE

<C> <S>

<C>

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*Previously filed.

MERRILL LYNCH & CO., INC.

(a Delaware corporation)

UNDERWRITING AGREEMENT

Dated: _____, 1996

TABLE OF CONTENTS

<TABLE>
<CAPTION>

<S>	<C>	Page

		<C>
SECTION 1.	Representations and Warranties.....	4

	(a) Representations and Warranties by the Company.....	4
	(i) Compliance with Registration Requirements.....	4
	(ii) Incorporated Documents.....	5
	(iii) Independent Accountants.....	5
	(iv) Financial Statements.....	6
	(v) No Material Adverse Change in Business.....	6
	(vi) Good Standing of the Company.....	6
	(vii) Good Standing of Subsidiaries.....	6
	(viii) Authorization of Agreement.....	7
	(ix) Authorization of the Indenture.....	7
	(x) Authorization of the Securities.....	7
	(xi) Authorization of the Stock Agreement.....	7
	(xii) Description of Securities, Indenture and Stock Agreement.....	8
	(xiii) Absence of Defaults and Conflicts.....	8
	(xiv) Absence of Labor Dispute.....	9
	(xv) Absence of Proceedings.....	9
	(xvi) Exhibits.....	9
	(xvii) Possession of Intellectual Property.....	9
	(xviii) Absence of Further Requirements.....	9
	(xix) Possession of Licenses and Permits.....	10
	(xx) Title to Property.....	10
	(xxi) Compliance with Cuba Act.....	10
	(b) Officer's Certificates.....	10
SECTION 2.	Sale and Delivery to Underwriter; Closing.....	11

	(a) Initial Securities.....	11
	(b) Option Securities.....	11
	(c) Payment.....	11
	(d) Denominations; Registration.....	11
SECTION 3.	Covenants of the Company with the Underwriter.....	12

	(a) Compliance with Securities Regulations and Commission Requests.....	12
	(b) Filing of Amendments.....	12
	(c) Delivery of ML&Co. Registration Statements.....	12
	(d) Delivery of ML&Co. Prospectuses.....	12
	(e) Continued Compliance with Securities Laws.....	13
	(f) Blue Sky Qualifications.....	13
	(g) Rule 158.....	13
	(h) Use of Proceeds.....	13
	(i) Listing.....	14
	(j) Reporting Requirements.....	14
SECTION 4.	Payment of Expenses.....	14

</TABLE>

<TABLE>		
<S>	<C>	<C>
	(a)	Expenses Payable by the Company..... 14
	(b)	Termination of Agreement..... 14
SECTION 5.		Conditions..... 14

	(a)	Conditions of Underwriter's Obligations..... 14
		(1) Effectiveness of ML&Co. Registration Statement... 15
		(2) Effectiveness of SunAmerica Registration Statement..... 15
		(3) Opinion of Counsel for the Company..... 15
		(4) Opinion of Counsel for the Underwriter..... 15
		(5) Opinion of Maryland Counsel for SunAmerica..... 15
		(6) Opinion of General Counsel for SunAmerica..... 15
		(7) Opinion of Special Counsel for SunAmerica and Counsel for the Selling Stockholder..... 16
		(8) Company Officers' Certificate..... 16
		(9) SunAmerica Officer's Certificate..... 16
		(10) The Selling Stockholder's Certificate..... 16
		(11) Company Accountant's Comfort Letter..... 17
		(12) SunAmerica Accountant's Comfort Letters..... 17
		(13) Company Bring-down Comfort Letter..... 17
		(14) SunAmerica Bring-down Comfort Letter..... 17
		(15) Maintenance of Rating..... 17
		(16) Approval of Listing..... 17
		(17) No Objection..... 17
		(18) Conditions to Purchase of Option Securities..... 17
		(19) Additional Documents..... 19
	(b)	Conditions of the Company's Obligations..... 19
		(1) Effectiveness of SunAmerica Registration Statement..... 19
		(2) Opinion of Counsel for the Company..... 19
		(3) Opinion of Counsel for the Underwriter..... 20
		(4) Opinion of Maryland Counsel for SunAmerica..... 20
		(5) Opinion of General Counsel for SunAmerica..... 20
		(6) Opinion of Special Counsel for SunAmerica and Counsel for the Selling Stockholder..... 20
		(7) SunAmerica Officer's Certificate..... 20
		(8) The Selling Stockholder's Certificate..... 20
		(9) SunAmerica Accountant's Comfort Letters..... 20
		(10) SunAmerica Bring-down Comfort Letter..... 20
		(11) Conditions to Sale of Option Securities..... 21
	(c)	Termination of Agreement..... 22
SECTION 6.		Indemnification..... 22

	(a)	Indemnification of the Underwriter by the Company.... 22
	(b)	Indemnification of the Company, Directors and Officers..... 23
	(c)	Actions against Parties; Notification..... 24
	(d)	Settlement without Consent if Failure to Reimburse... 24
SECTION 7.		Contribution..... 24

SECTION 8.		Representations, Warranties and Agreements to Survive Delivery..... 25

SECTION 9.		Termination of Agreement..... 26

</TABLE>		

<TABLE>		
<S>	<C>	<C>
	(a)	Termination; General..... 26
	(b)	Liabilities..... 26
SECTION 10.		Notices..... 26

SECTION 11.		Parties..... 26

SECTION 12.		GOVERNING LAW AND TIME..... 27

SECTION 13.		Effect of Headings..... 27

SECTION 14.		Counterparts..... 27

</TABLE>		

_____% STRYPES/SM/ DUE _____, 1999

Payable with Shares of Common Stock of SunAmerica Inc.

UNDERWRITING AGREEMENT

_____, 1996

Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

Merrill Lynch & Co., Inc., a Delaware corporation (the "Company"), confirms its agreement with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") with respect to the issue and sale by the Company and the purchase by the Underwriter of an aggregate of 3,000,000 of the Company's Structured Yield Product Exchangeable for Stock(SM), ____% STRYPES(SM) Due _____, 1999 (each, a "STRYPES") and with respect to the grant by the Company to the Underwriter of the option described in Section 2(b) hereof to purchase all or any part of 450,000 additional STRYPES to cover over-allotments, if any. The aforesaid 3,000,000 STRYPES (the "Initial Securities") to be purchased by the Underwriter and all or any part of the 450,000 STRYPES subject to the option described in Section 2(b) hereof (the "Option Securities") are hereinafter called, collectively, the "Securities." The Securities are to be issued pursuant to an indenture, dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of _____, 1996 (the "Indenture"), between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee").

(SM) Service mark of Merrill Lynch & Co., Inc.

The STRYPES will be payable at maturity or upon redemption by delivery of shares of Common Stock, par value \$1.00 per share (the "SunAmerica Common Stock"), of SunAmerica Inc., a Maryland corporation ("SunAmerica") subject to the Company's option to deliver at maturity, in lieu of shares of SunAmerica Common Stock, an amount in cash. The Company, SunAmerica, Mr. Eli Broad (the "Selling Stockholder") and the Underwriter are concurrently entering into an agreement dated the date hereof (the "Registration Agreement") relating to the registration of shares of SunAmerica Common Stock deliverable by the Company pursuant to the STRYPES.

The Company understands that the Underwriter proposes to make a public offering of the Securities as soon as the Underwriter deems advisable after this Agreement has been executed and delivered.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 33-65135) for the registration of debt securities, including the Securities, under the Securities Act of 1933, as amended (the "1933 Act"), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"), and the Company has filed post-effective amendment no. 2 thereto, including a preliminary prospectus and preliminary prospectus supplement relating to the offering of the Securities. Promptly after execution and delivery of this Agreement, the Company will either (i) prepare and file a prospectus and prospectus supplement in accordance with the provisions of Rule 430A ("Rule 430A") of the 1933 Act Regulations and paragraph (b) of Rule 424 ("Rule 424(b)") of the 1933 Act Regulations or (ii) if the Company has elected to rely upon Rule 434 ("Rule 434") of the 1933 Act Regulations, prepare and file a term sheet (an "ML&Co. Term Sheet") in accordance with the provisions of Rule 434 and Rule 424(b). The information included in such prospectus and prospectus supplement or in such ML&Co. Term Sheet, as the case may be, that was omitted from such registration statement (as so amended) at the time it became effective but that is deemed to be part of such registration statement (as so amended) at the time it became effective (i) pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information" or (ii) pursuant to paragraph (d) of Rule 434 is referred to as "Rule 434 Information." Any prospectus and prospectus supplement relating to the offering of the Securities used before such registration statement (as so amended) became effective, and any prospectus and prospectus supplement relating to the offering of the Securities that omitted, as applicable, the Rule 430A Information or the Rule 434 Information, that was used after such effectiveness and prior to the execution and delivery of this Agreement, in each case excluding any SunAmerica preliminary prospectus (as defined below) accompanying such prospectus and prospectus supplement, as the case may be, are herein called, collectively, an

"ML&Co. preliminary prospectus." Such registration statement (as so amended), including the exhibits thereto, the schedules thereto, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, at the time it became effective and including the Rule 430A Information and the Rule 434 Information, as applicable, is herein called the "ML&Co. Registration Statement." Any registration statement filed by the Company pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "ML&Co. Rule 462(b) Registration Statement," and after such filing the term "ML&Co. Registration Statement" shall include the ML&Co. Rule 462(b) Registration Statement. The final prospectus and final prospectus supplement relating to the offering of the Securities, including

2

the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, but excluding any SunAmerica Prospectus (as defined below) accompanying such final prospectus or prospectus supplement, as the case may be, in the form first furnished to the Underwriter for use in connection with the offering of the Securities are collectively referred to herein as the "ML&Co. Prospectus." If Rule 434 is relied on, the term "ML&Co. Prospectus" shall refer to the ML&Co. preliminary prospectus dated May ____, 1996 together with the ML&Co. Term Sheet and all references in this Agreement to the date of the ML&Co. Prospectus shall mean the date of the ML&Co. Term Sheet. For purposes of this Agreement, all references to the ML&Co. Registration Statement, any ML&Co. preliminary prospectus, the ML&Co. Prospectus or any ML&Co. Term Sheet or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the ML&Co. Registration Statement, any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the ML&Co. Registration Statement, any ML&Co. preliminary prospectus or the ML&Co. Prospectus, as the case may be, and shall be deemed to exclude all financial statements and schedules and other information which is included or incorporated by reference in any SunAmerica preliminary prospectus or the SunAmerica Prospectus which shall accompany any ML&Co. preliminary prospectus or the ML&Co. Prospectus; and all references in this Agreement to amendments or supplements to the ML&Co. Registration Statement, any ML&Co. preliminary prospectus or the ML&Co. Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated by reference in the ML&Co. Registration Statement, such ML&Co. preliminary prospectus or the ML&Co. Prospectus, as the case may be.

SunAmerica has filed with the Commission a registration statement on Form S-3 (No. 333-411) covering the registration of 3,450,000 shares of SunAmerica Common Stock that may be delivered at maturity or upon redemption of the Securities under the 1933 Act, including the related preliminary prospectus or prospectuses. Each prospectus used before such registration statement became effective is herein called a "SunAmerica preliminary prospectus." Such registration statement, including the exhibits thereto, the schedules thereto, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, at the time it became effective, is herein called the "SunAmerica Registration Statement." Any registration statement filed by SunAmerica pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "SunAmerica Rule 462(b) Registration Statement," and after such filing the term "SunAmerica Registration Statement" shall include the SunAmerica Rule 462(b) Registration Statement. The final prospectus, including the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, in the form first furnished to the Underwriter for use in connection with the offering of the Securities is herein called the "SunAmerica Prospectus." For purposes of this Agreement, all references to the SunAmerica Registration Statement, any SunAmerica preliminary prospectus, the SunAmerica Prospectus or

3

any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to EDGAR.

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

Prospectus, as the case may be.

Prior to the closing under this Agreement, the Company, Merrill Lynch Capital Services, Inc., a wholly-owned subsidiary of the Company (the "ML&Co. Subsidiary"), and the Selling Stockholder have entered into an agreement (the "Stock Agreement") pursuant to which the Selling Stockholder is obligated to deliver to the ML&Co. Subsidiary, on _____, 1999, and on any date of redemption of his obligations under the Stock Agreement, a specified number of shares of SunAmerica stock, subject to the Selling Stockholder's option, exercisable in its sole discretion, to satisfy his obligations under the Stock Agreement by delivering immediately prior to the maturity or redemption a specified amount of cash in lieu of such shares. Under the Indenture, the Company has agreed to pay and discharge the STRYPES by delivering to the holders thereof at maturity or on any redemption date the form of consideration that the ML&Co. Subsidiary receives from the Selling Stockholder.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to the Underwriter as of the date hereof, as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with the Underwriter, as follows:

(i) Compliance with Registration Requirements. The Company meets the

requirements for use of Form S-3 under the 1933 Act. Each of the ML&Co. Registration Statement and any ML&Co. Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the ML&Co. Registration Statement or any ML&Co. Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the ML&Co. Registration Statement, any ML&Co. Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any Option Securities are purchased, at the Date of

4

Delivery), the ML&Co. Registration Statement, the ML&Co. Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the Trust Indenture Act of 1939, as amended (the "1939 Act"), and the rules and regulations of the Commission under the 1939 Act (the "1939 Act Regulations"), and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the ML&Co. Prospectus nor any amendments or supplements thereto, at the time the ML&Co. Prospectus or any such amendment or supplement was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If Rule 434 is used, the Company will comply with the requirements of Rule 434. The representations and warranties in this subsection shall not apply to (A) statements in or omissions from the ML&Co. Registration Statement or ML&Co. Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriter expressly for use in the ML&Co. Registration Statement or ML&Co. Prospectus or (B) that part of the ML&Co. Registration Statement that constitutes the Statement of Eligibility on Form T-1 (the "Form T-1") under the 1939 Act of the Trustee.

Each ML&Co. preliminary prospectus and the prospectus relating to the offering of the Securities filed as part of the ML&Co. Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and, if applicable, each ML&Co. preliminary prospectus and the ML&Co. Prospectus delivered to the Underwriter for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Incorporated Documents. The documents incorporated or deemed to

be incorporated by reference in the ML&Co. Registration Statement and the ML&Co. Prospectus, when they became effective or at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations or the 1934 Act and the rules and regulations of the Commission

thereunder (the "1934 Act Regulations"), as applicable, and, when read together with the other information in the ML&Co. Prospectus, at the time the ML&Co. Registration Statement became effective, at the time the ML&Co. Prospectus was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(iii) Independent Accountants. The accountants who certified the

financial statements and supporting schedules included in the ML&Co. Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

5

(iv) Financial Statements. The financial statements included in the

ML&Co. Registration Statement and the ML&Co. Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included in the ML&Co. Registration Statement present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the ML&Co. Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the ML&Co. Registration Statement.

(v) No Material Adverse Change in Business. Since the respective

dates as of which information is given in the ML&Co. Registration Statement and the ML&Co. Prospectus, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) except for regular quarterly dividends on its outstanding common stock and regular dividends on its outstanding preferred stock in amounts per share that are consistent with past practice, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vi) Good Standing of the Company. The Company has been duly

organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and to enter into and perform its obligations under this Agreement and the Indenture; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vii) Good Standing of Subsidiaries. Each subsidiary of the Company

which is a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the 1933 Act (each a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of

6

property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the ML&Co. Registration Statement, all of the issued and outstanding capital stock of each such Subsidiary has been duly authorized and validly issued and is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or

equity; and none of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of the Company are (A) the subsidiaries listed in Exhibit 21 to the Annual Report on Form 10-K of the Company filed with the Commission under Section 13 of the 1934 Act for the fiscal year ended December 29, 1995 and (B) certain other subsidiaries which, considered in the aggregate as a single subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the 1933 Act.

(viii) Authorization of Agreement. This Agreement has been duly

authorized, executed and delivered by the Company.

(ix) Authorization of the Indenture. The Indenture has been duly

authorized by the Company, duly qualified under the 1939 Act and duly executed and delivered by the Company and (assuming the due authorization, execution and delivery by the Trustee) will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(x) Authorization of the Securities. The Securities have been duly

authorized by the Company for issuance and sale to the Underwriter pursuant to this Agreement and, at the Closing Time, will have been duly executed by the Company and, when authenticated by the Trustee in the manner provided for in the Indenture and delivered against payment of the purchase price therefor as provided in this Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be in the form contemplated by, and entitled to the benefits of, the Indenture.

(xi) Authorization of the Stock Agreement. The Stock Agreement has

been duly authorized by the Company and the ML&Co. Subsidiary and, at the Closing Time, will have been duly executed and delivered by the Company and the ML&Co. Subsidiary and (assuming the due authorization, execution and delivery by the Selling Stockholder) will constitute a valid and binding agreement of the Company and the ML&Co. Subsidiary,

7

enforceable against the Company and the ML&Co. Subsidiary in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(xii) Description of Securities, Indenture and Stock Agreement. The

Securities, the Indenture and the Stock Agreement will conform in all material respects to the respective statements relating thereto contained in the ML&Co. Prospectus and will be in substantially the respective forms filed or incorporated by reference, as the case may be, as exhibits to the ML&Co. Registration Statement.

(xiii) Absence of Defaults and Conflicts. Neither the Company nor

any of its subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect; and (A) the execution, delivery and performance by the Company of this Agreement, the Indenture and the Securities and the consummation of the transactions contemplated herein, therein and in the ML&Co. Registration Statement (including the issuance and sale of the Securities and the delivery of shares of SunAmerica Common

Stock pursuant thereto and the use of the proceeds from the sale of the Securities as described in the ML&Co. Prospectus under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder and under the Indenture and the Securities and (B) the execution, delivery and performance by the ML&Co. Subsidiary of the Stock Agreement and the consummation of the transactions contemplated therein and compliance by the ML&Co. Subsidiary with its obligations under the Stock Agreement have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary or, to the best of the Company's knowledge, any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any subsidiary or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any subsidiary.

8

(xiv) Absence of Labor Dispute. No labor dispute with the employees

of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent which may reasonably be expected to result in a Material Adverse Effect.

(xv) Absence of Proceedings. There is no action, suit, proceeding,

inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any subsidiary, which is required to be disclosed in the ML&Co. Registration Statement (other than as disclosed therein), or which, individually or in the aggregate, might reasonably be expected to result in a Material Adverse Effect, or which, individually or in the aggregate, might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in this Agreement, the Indenture or the Stock Agreement (including the issuance and sale of the Securities and the delivery of shares of SunAmerica Common Stock pursuant thereto) or the performance by the Company of its obligations hereunder or thereunder or the performance by the ML&Co. Subsidiary of its obligations under the Stock Agreement; the aggregate of all pending legal or governmental proceedings to which the Company or any subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the ML&Co. Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xvi) Exhibits. There are no contracts or documents which are of a

character required to be described in the ML&Co. Registration Statement, the ML&Co. Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto which have not been so described or filed as required.

(xvii) Possession of Intellectual Property. The Company and its

subsidiaries own or possess, or can acquire on reasonable terms, adequate trademarks, service marks, trade names and other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(xviii) Absence of Further Requirements. No filing with, or

authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required (A) for the performance by the Company of its

obligations under this Agreement or the Stock Agreement or the consummation by the Company of the transactions contemplated herein or therein (including the issuance and sale of the Securities and the delivery of shares of SunAmerica Common Stock pursuant thereto) or for the due execution, delivery or performance of the Indenture by the Company or (B) for the performance by the ML&Co.

9

Subsidiary of its obligations under the Stock Agreement or the consummation by the ML&Co. Subsidiary of the transactions contemplated therein, except, in each case, such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws and except for the qualification of the Indenture under the 1939 Act.

(xix) Possession of Licenses and Permits. The Company and its

subsidiaries own or possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; the Company and its subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xx) Title to Property. The Company and its subsidiaries have good

and marketable title to all real property owned by the Company and its subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the ML&Co. Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the ML&Co. Prospectus, are in full force and effect, and neither the Company nor any subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xxi) Compliance with Cuba Act. The Company has complied with, and

is and will be in compliance with, the provisions of that certain Florida act relating to disclosure of doing business with Cuba, codified as Section 517.075 of the Florida statutes, and the rules and regulation thereunder (collectively, the "Cuba Act") or is exempt therefrom.

(b) Officer's Certificates. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Underwriter shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

10

SECTION 2. Sale and Delivery to Underwriter; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Company, at the price per STRYPES set forth in Schedule A, the Initial Securities.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriter to purchase up to an additional 450,000 STRYPES at the price per STRYPES set forth in Schedule A. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Underwriter to the Company setting forth the number of Option Securities as to which the

Underwriter is then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Underwriter, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by the Underwriter and the Company, at 10:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern time) on any given day) business day after the date hereof, or such other time not later than ten business days after such date as shall be agreed upon by the Underwriter and the Company (such time and date of payment and delivery being herein called "Closing Time"). In addition, in the event that any or all of the Option Securities are purchased by the Underwriter, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Underwriter and the Company, on each Date of Delivery as specified in the notice from the Underwriter to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Underwriter of certificates for the Securities to be purchased by it.

(d) Denominations; Registration. Certificates for the Initial Securities and the Option Securities, if any, shall be in such denominations and registered in such names as the Underwriter may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Underwriter in The City of New York not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

11

SECTION 3. Covenants of the Company with the Underwriter.

(a) Compliance with Securities Regulations and Commission Requests. The Company, subject to Section 3(a)(ii) hereof, will comply with the requirements of Rule 430A or Rule 434, as applicable, and will notify the Underwriter immediately, and confirm the notice in writing, (A) when any post-effective amendment to the ML&Co. Registration Statement shall become effective, or any supplement to the ML&Co. Prospectus or any amended ML&Co. Prospectus shall have been filed, (B) of the receipt of any comments from the Commission, (C) of any request by the Commission for any amendment to the ML&Co. Registration Statement or any amendment or supplement to the ML&Co. Prospectus or for additional information, and (D) of the issuance by the Commission of any stop order suspending the effectiveness of the ML&Co. Registration Statement or of any order preventing or suspending the use of any ML&Co. preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will use its best efforts to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Filing of Amendments. The Company will give the Underwriter notice of its intention to file or prepare any amendment to the ML&Co. Registration Statement (including any filing under Rule 462(b)), any ML&Co. Term Sheet or any amendment, supplement or revision to either the prospectus relating to the offering of the Securities included in the ML&Co. Registration Statement at the time it became effective or to the ML&Co. Prospectus, whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the Underwriter with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Underwriter or counsel for the Underwriter shall reasonably object.

(c) Delivery of ML&Co. Registration Statements. The Company has furnished or will deliver to the Underwriter, without charge, and to the Selling Stockholder and counsel for the Selling Stockholder signed copies of the ML&Co. Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed copies of all consents and certificates of experts. If applicable, the copies of the ML&Co. Registration Statement and each amendment thereto furnished to the Underwriter and the Selling Stockholder will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) Delivery of ML&Co. Prospectuses. The Company has delivered to the Underwriter, without charge, as many copies of each ML&Co. preliminary prospectus as the Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to the Underwriter, without charge, during the period when the ML&Co. Prospectus is required to be delivered under the

12

1933 Act or the 1934 Act, such number of copies of the ML&Co. Prospectus (as amended or supplemented) as the Underwriter may reasonably request. If applicable, the ML&Co. Prospectus and any amendments or supplements thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the ML&Co. Prospectus. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the reasonable opinion of counsel for the Underwriter or for the Company, to amend the ML&Co. Registration Statement or amend or supplement the ML&Co. Prospectus in order that the ML&Co. Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the reasonable opinion of either such counsel, at any such time to amend the ML&Co. Registration Statement or amend or supplement the ML&Co. Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(a)(ii) hereof, such amendment or supplement as may be necessary to correct such statement or omission or to make the ML&Co. Registration Statement or the ML&Co. Prospectus comply with such requirements, and the Company will furnish to the Underwriter such number of copies of such amendment or supplement as the Underwriter may reasonably request.

(f) Blue Sky Qualifications. The Company will use its best efforts, in cooperation with the Underwriter, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriter may designate and to maintain such qualifications in effect for a period of not less than one year from the later of the effective date of the ML&Co. Registration Statement and any ML&Co. Rule 462(b) Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the ML&Co. Registration Statement and any ML&Co. Rule 462(b) Registration Statement.

(g) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) Use of Proceeds. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the ML&Co. Prospectus under "Use of Proceeds."

13

(i) Listing. The Company will use its best efforts to effect the listing of the Securities on the New York Stock Exchange.

(j) Reporting Requirements. The Company, during the period when the ML&Co. Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

SECTION 4. Payment of Expenses. -----

(a) Expenses Payable by the Company. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the ML&Co. Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the

Underwriter of this Agreement, the Indenture, the Stock Agreement and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriter, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(a)(vi) hereof, including filing fees and the reasonable fees and disbursements of the Company's counsel in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the printing and delivery to the Underwriter of copies of each ML&Co. preliminary prospectus, any ML&Co. Term Sheets and of the ML&Co. Prospectus and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriter of copies of the Blue Sky Survey and any supplement thereto, (viii) the fees and expenses of the Trustee, including the fees and disbursements of counsel for the Trustee in connection with the Indenture and the Securities, (ix) any fees payable in connection with the rating of the Securities, (x) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriter in connection with, the review by the National Association of Securities Dealers, Inc. (the "NASD") of the terms of the sale of the Securities and (xi) the fees and expenses incurred in connection with the listing of the Securities on the New York Stock Exchange.

(b) Termination of Agreement. If this Agreement is terminated by the Underwriter in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the Underwriter for all of its out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriter.

SECTION 5. Conditions.

(a) Conditions of Underwriter's Obligations. The obligations of the Underwriter hereunder are subject to the accuracy of the representations and warranties of the Company contained in Section 1(a) hereof, to the accuracy of the representations and warranties of SunAmerica and the Selling Stockholder contained in Sections 1(A) and 1(B), respectively, in the Registration Agreement, to the accuracy of the statements in certificates of any officer of the Company, SunAmerica or the Selling Stockholder delivered pursuant to the provisions hereof,

14

to the performance by the Company of its covenants and other obligations hereunder, to the performance by SunAmerica and the Selling Stockholder of its and his covenants and other obligations under the Registration Agreement, and to the following further conditions:

(1) Effectiveness of ML&Co. Registration Statement. The ML&Co. Registration Statement, including any ML&Co. Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the ML&Co. Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriter. A prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A) or, if the Company has elected to rely upon Rule 434, an ML&Co. Term Sheet shall have been filed with the Commission in accordance with Rule 424(b).

(2) Effectiveness of SunAmerica Registration Statement. The SunAmerica Registration Statement, including any SunAmerica Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the SunAmerica Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission.

(3) Opinion of Counsel for the Company. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Brown & Wood, counsel for the Company, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit A hereto and to such further effect as the Underwriter may reasonably request.

(4) Opinion of Counsel for the Underwriter. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriter, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit B hereto and to such further effect as the Underwriter may reasonably request.

(5) Opinion of Maryland Counsel for SunAmerica. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing

Time, of Piper & Marbury L.L.P., Maryland counsel for SunAmerica, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit C hereto.

(6) Opinion of General Counsel for SunAmerica. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Susan L. Harris, Senior Vice President, General Counsel--Corporate Affairs and Secretary of SunAmerica, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit D hereto.

15

(7) Opinion of Special Counsel for SunAmerica and Counsel for the Selling Stockholder. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Davis Polk & Wardwell, special counsel for SunAmerica and counsel for the Selling Stockholder, in form and substance satisfactory to the Underwriter, to the effect set forth in Exhibit E hereto.

(8) Company Officers' Certificate. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the ML&Co. Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Underwriter shall have received a certificate of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, and (iv) no stop order suspending the effectiveness of the ML&Co. Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or are contemplated by the Commission.

(9) SunAmerica Officer's Certificate. At Closing Time, the Underwriter shall have received a certificate, signed by an executive officer of SunAmerica and dated as of Closing Time, to the effect that (a) no stop order suspending the effectiveness of the SunAmerica Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission, (b) subsequent to the execution and delivery of this Agreement and prior to Closing Time, there shall not have occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations, of SunAmerica and its subsidiaries, taken as a whole, from that set forth in the SunAmerica Prospectus, and (c) the representations and warranties of SunAmerica contained in the Registration Agreement are true and correct as of Closing Time and that SunAmerica has complied with all of the agreements and satisfied all of the obligations on its part to be performed or satisfied on or before Closing Time pursuant to the Registration Agreement. The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(10) The Selling Stockholder's Certificate. At Closing Time, the Underwriter shall have received a certificate of the Selling Stockholder, dated as of Closing Time, in which the Selling Stockholder shall state that (i) the representations and warranties of the Selling Stockholder contained in Section 1(b) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time and (ii) the Selling Stockholder has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

16

(11) Company Accountant's Comfort Letter. At the time of the execution of this Agreement, the Underwriter shall have received from Deloitte & Touche LLP a letter dated such date, in form and substance satisfactory to the Underwriter, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters in accordance with the American Institute of Certified Public Accountants standards with respect to the financial statements and certain financial information contained in or incorporated by reference into the ML&Co. Registration Statement and the ML&Co. Prospectus.

(12) SunAmerica Accountant's Comfort Letters. At the time of the execution of this Agreement, the Underwriter shall have received from SunAmerica's independent public accountants a letter dated such date, in form and substance satisfactory to the Underwriter, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters in accordance with the American Institute of Certified Public Accountants standards, with respect to the financial

statements and certain financial information contained in or incorporated by reference into the SunAmerica Registration Statement and the SunAmerica Prospectus.

(13) Company Bring-down Comfort Letter. At Closing Time, the Underwriter shall have received from Deloitte & Touche LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to Section 5(a)(11) hereof, except that the "specified date" referred to shall be a date not more than three business days prior to Closing Time.

(14) SunAmerica Bring-down Comfort Letter. At Closing Time, the Underwriter shall have received from SunAmerica's independent public accounts a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to Section 5(a)(12) hereof, except that the "specified date" referred to shall be a date not more than three business days prior to Closing Time.

(15) Maintenance of Rating. Since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to any of the Company's securities by any "nationally recognized statistical rating agency", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such organization shall have publicly announced that it has under surveillance or review its rating of any of the Company's securities.

(16) Approval of Listing. At Closing Time, the Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(17) No Objection. The NASD shall not have raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(18) Conditions to Purchase of Option Securities. In the event that the Underwriter exercises its option provided in Section 2(b) hereof to purchase all or any

portion of the Option Securities, the representations and warranties of the Company contained herein, the representations and warranties of SunAmerica and the Selling Stockholder contained in the Registration Agreement and the statements in any certificates furnished by the Company, SunAmerica or the Selling Stockholder hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Underwriter shall have received:

(A) Company Officers' Certificate. A certificate, dated such

Date of Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at Closing Time pursuant to Section 5(a)(8) hereof is true and correct as of such Date of Delivery.

(B) SunAmerica Officer's Certificate. A certificate, dated such

Date of Delivery, of an executive officer of SunAmerica confirming that the certificate delivered at Closing Time pursuant to Section 5(a)(9) hereof is true and correct as of such Date of Delivery.

(C) The Selling Stockholder's Certificate. A certificate, dated

such Date of Delivery, of the Selling Stockholder confirming that the certificate delivered at Closing Time pursuant to Section 5(a)(10) hereof is true and correct as of such Date of Delivery.

(D) Opinion of Counsel for the Company. The favorable opinion

of Brown & Wood, counsel for the Company, in form and substance reasonably satisfactory to the Underwriter, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(a)(3) hereof.

(E) Opinion of Counsel for the Underwriter. The favorable

opinion of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriter, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(a)(4) hereof.

(F) Opinion of Maryland Counsel for SunAmerica. The favorable

opinion of Piper & Marbury L.L.P., Maryland counsel for SunAmerica, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinion required by Section 5(a)(5) hereof.

(G) Opinion of General Counsel for SunAmerica. The favorable

opinion of Susan L. Harris, Senior Vice President, General Counsel--Corporate Affairs and Secretary of SunAmerica, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinion required by Section 5(a)(6) hereof.

18

(H) Opinion of Special Counsel for SunAmerica and Counsel for

the Selling Stockholder. The favorable opinion of Davis Polk & Wardwell, special counsel for SunAmerica and counsel for the Selling Stockholder, in form and substance satisfactory to the Underwriter, dated such Date of Delivery, to the same effect as the opinion required by Section 5(a)(7) hereof.

(I) Company Bring-down Comfort Letter. A letter from Deloitte &

Touche LLP, in form and substance satisfactory to the Underwriter and dated such Date of Delivery, substantially the same in form and substance as the letter furnished to the Underwriter pursuant to Section 5(a)(13) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(J) SunAmerica Bring-down Comfort Letter. A letter from

SunAmerica's independent public accountants, in form and substance satisfactory to the Underwriter and dated such Date of Delivery, to the effect that they reaffirm the statements made in the letter furnished to the Underwriter pursuant to Section 5(a)(14) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(19) Additional Documents. At Closing Time and at each Date of Delivery, counsel for the Underwriter shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, contained herein or in the Registration Agreement; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Underwriter and counsel for the Underwriter.

(b) Conditions of the Company's Obligations. The obligations of the Company hereunder are subject to the accuracy of the representations and warranties of SunAmerica and the Selling Stockholder contained in the Registration Agreement, to the accuracy of the statements in certificates of any officer of SunAmerica or the Selling Stockholder delivered pursuant to the provisions hereof, to the performance by SunAmerica and the Selling Stockholder of its and his covenants and other obligations under the Registration Agreement, and to the following further conditions:

(1) Effectiveness of SunAmerica Registration Statement. The SunAmerica Registration Statement, including any SunAmerica Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the SunAmerica Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission.

(2) Opinion of Counsel for the Company. At Closing Time, the Company shall have received the favorable opinion, dated as of Closing Time, of Brown & Wood,

19

counsel for the Company, to the same effect as the opinion required by Section 5(a)(3) hereof.

(3) Opinion of Counsel for the Underwriter. At Closing Time, the Underwriter shall have received the favorable opinion, dated as of Closing Time, of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriter, to the same effect as the opinion required by Section 5(a)(4) hereof.

(4) Opinion of Maryland Counsel for SunAmerica. At Closing Time, the

Company shall have received the favorable opinion, dated as of Closing Time, of Piper & Marbury L.L.P., Maryland counsel for SunAmerica, to the same effect as the opinion required by Section 5(a)(5) hereof.

(5) Opinion of General Counsel for SunAmerica. At Closing Time, the Company shall have received the favorable opinion, dated as of Closing Time, of Susan L. Harris, Senior Vice President, General Counsel--Corporate Affairs and Secretary of SunAmerica, to the same effect as the opinion required by Section 5(a)(6) hereof.

(6) Opinion of Special Counsel for SunAmerica and Counsel for the Selling Stockholder. At Closing Time, the Company shall have received the favorable opinion, dated as of Closing Time, of Davis Polk & Wardwell, special counsel for SunAmerica and counsel for the Selling Stockholder, to the same effect as the opinion required by Section 5(a)(7) hereof.

(7) SunAmerica Officer's Certificate. At Closing Time, the Company shall have received a certificate of an executive officer of SunAmerica, dated as of Closing Time, to the same effect as the certificate delivered to the Underwriter pursuant to Section 5(a)(9) hereof.

(8) The Selling Stockholder's Certificate. At Closing Time, the Company shall have received a certificate of the Selling Stockholder, dated as of Closing Time, to the same effect as the certificate delivered to the Underwriter pursuant to Section 5(a)(10) hereof.

(9) SunAmerica Accountant's Comfort Letters. At the time of the execution of this Agreement, the Company shall have received from SunAmerica's independent public accountants a letter dated such date, in form and substance satisfactory to the Company, substantially the same in form and substance as the letter delivered to the Underwriter pursuant to Section 5(a)(12) hereof.

(10) SunAmerica Bring-down Comfort Letter. At Closing Time, the Company shall have received from SunAmerica's independent public accountants a letter, dated as of Closing Time, in form and substance satisfactory to the Company, and to the effect that they reaffirm the statements made in the letter delivered to the Underwriter pursuant to Section 5(a)(14) hereof.

20

(11) Conditions to Sale of Option Securities. In the event that the Underwriter exercises its option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of SunAmerica and the Selling Stockholder contained in the Registration Agreement and the statements in any certificates furnished by SunAmerica or the Selling Stockholder hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Company shall have received:

(A) SunAmerica Officer's Certificate. A certificate, dated such _____ Date of Delivery, of an executive officer of SunAmerica confirming that the certificate delivered at Closing Time pursuant to Section 5(b)(7) hereof is true and correct as of such Date of Delivery.

(B) The Selling Stockholder's Certificate. A certificate, dated _____ such Date of Delivery, of the Selling Stockholder confirming that the certificate delivered at Closing Time pursuant to Section 5(b)(8) hereof is true and correct as of such Date of Delivery.

(C) Opinion of Counsel for the Company. The favorable opinion, _____ dated such Date of Delivery, of Brown & Wood, counsel for the Company, to the same effect as the opinion required by Section 5(a)(18)(D) hereof.

(D) Opinion of Counsel for the Underwriter. The favorable _____ opinion, dated such Date of Delivery, of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriter, to the same effect as the opinion required by Section 5(a)(18)(E) hereof.

(E) Opinion of Maryland Counsel for SunAmerica. The favorable _____ opinion, dated such Date of Delivery, of Piper & Marbury L.L.P., Maryland counsel for SunAmerica, to the same effect as the opinion required by Section 5(a)(18)(F) hereof.

(F) Opinion of General Counsel for SunAmerica. The favorable _____ opinion, dated such Date of Delivery, of Susan L. Harris, Senior Vice President, General Counsel--Corporate Affairs and Secretary of

SunAmerica, to the same effect as the opinion required by Section 5(a)(18)(G) hereof.

(G) Opinion of Special Counsel for SunAmerica and Counsel for

the Selling Stockholder. The favorable opinion, dated such Date of

Delivery, of Davis Polk & Wardwell, special counsel for SunAmerica and
counsel for the Selling Stockholder, dated such Date of Delivery, to
the same effect as the opinion required by Section 5(a)(18)(H) hereof.

(H) SunAmerica Bring-down Comfort Letter. A letter from

SunAmerica's independent public accountants, in form and substance
satisfactory to the Company and dated such Date of Delivery, to the
effect that they reaffirm

21

the statements made in the letter furnished to the Underwriter
pursuant to Section 5(a)(18)(J) hereof.

(c) Termination of Agreement. If any condition specified in subsection (a) of this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the Underwriter to purchase the relevant Option Securities, may be terminated by the Underwriter by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect. If any condition specified in subsection (b) of this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the sale of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the Company to sell the relevant Option Securities, may be terminated by the Company by notice to the Underwriter at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of the Underwriter by the Company. The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the ML&Co. Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, referred to under (i) above; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company; and

22

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

provided, however, that this indemnity agreement shall not apply to any loss,

liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the ML&Co. Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto); and provided, further, that

this indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of the Underwriter from whom the person asserting any such losses, liabilities, claims, damages or expenses purchased Securities, or any person controlling the Underwriter, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of the Underwriter to such person, if such is required by law, at or prior to the written confirmation of the sale of such Securities to such person and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, liability, claim, damage or expense.

Insofar as this indemnity agreement may permit indemnification for liabilities under the 1933 Act of any person who controls an underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and who, at the date of this Agreement, is a director or officer of the Company or controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, such indemnity agreement is subject to the undertaking of the Company in the ML&Co. Registration Statement under Item 17 thereof.

(b) Indemnification of the Company, Directors and Officers. The Underwriter agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the ML&Co. Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the ML&Co. Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the ML&Co. Registration Statement (or any amendment thereto) or such ML&Co. preliminary prospectus or the ML&Co. Prospectus (or any amendment or supplement thereto).

23

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a), counsel to the indemnified parties shall be selected by the Underwriter, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such

indemnified party in accordance with such request prior to the date of such settlement.

SECTION 7. Contribution.

If the indemnification provided for in Sections 6(a) and 6(b) is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then the Company and the Underwriter shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriter on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company

24

on the one hand and of the Underwriter on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriter on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriter, in each case as set forth on the cover of the ML&Co. Prospectus, or, if Rule 434 is used, the corresponding location on the ML&Co. Term Sheet, bear to the aggregate initial public offering price of the Securities as set forth on such cover. The relative fault of the Company on the one hand and the Underwriter on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Notwithstanding the provisions of this Section 7, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

The Company and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Underwriter, and each director of the Company, each officer of the Company who signed the ML&Co. Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company, SunAmerica or the Selling Stockholder submitted pursuant hereto, shall

25

remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter or controlling person, or by or on behalf of the Company or the Selling Stockholder, and shall survive delivery of the Securities to the Underwriter.

SECTION 9. Termination of Agreement.

(a) Termination; General. The Underwriter may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the ML&Co. Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has been, since the time of execution of this Agreement, or since the respective dates as of which information is given in the SunAmerica Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of SunAmerica and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (iii) if there has occurred any material adverse change in the financial markets in the United States, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Underwriter, impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iv) if trading in any securities of the Company or in the SunAmerica Common Stock has been suspended or limited by the Commission or the New York Stock Exchange, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market has been suspended or limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the NASD or any other governmental authority, or (v) if a banking moratorium has been declared by either federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 10. Notices. All notices and other communications hereunder shall -----
be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to it at North Tower, World Financial Center, New York, New York 10281-1328, attention of Douglas Squires, Managing Director; and notices to the Company shall be directed to it at 100 Church St., 12th Floor, New York, New York 10007, attention of the Secretary, with a copy to the Treasurer at World Financial Center, South Tower, New York, New York 10080-6107.

SECTION 11. Parties. This Agreement shall each inure to the benefit of -----
and be binding upon each of the Underwriter and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person,

26

firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 12. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY -----
AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 13. Effect of Headings. The Article and Section headings herein -----
and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 14. Counterparts. This Agreement 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 agreement.

27

If the foregoing is in accordance with your understanding of our agreement,

please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriter and the Company in accordance with its terms.

Very truly yours,

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

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

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Authorized Signatory

28

SCHEDULE A

MERRILL LYNCH & CO. INC

_____% STRYPES(SM) DUE _____, 1999

1. The initial public offering price of the Securities shall be \$_____ per STRYPES.

2. The purchase price for the Securities to be paid by the Underwriter shall be \$_____ per STRYPES, being an amount equal to the initial public offering price set forth above less \$_____ per STRYPES.

/SM/ Service mark of Merrill Lynch & Co., Inc.

Sch A - 1

Exhibit A

FORM OF OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(a) (3)

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and to enter into and perform its obligations under the Underwriting Agreement.

(iii) The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(iv) Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the ML&Co. Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in the State of New York; all of the issued and outstanding capital stock of MLPF&S has been duly authorized and validly issued, is fully paid and non-assessable and, to the best of our knowledge, is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of MLPF&S was issued in violation of the preemptive or similar rights of any securityholder of MLPF&S.

(v) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

(vi) The Indenture has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery thereof by the Trustee) constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general

A-1

principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(vii) The Securities are in the form contemplated by the Indenture, have been duly authorized by the Company and, assuming that the Securities have been duly authenticated by the Trustee in the manner described in its certificate delivered to you today (which fact such counsel need not determine by an inspection of the Securities), the Securities have been duly executed, issued and delivered by the Company and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be entitled to the benefits of the Indenture.

(viii) The Stock Agreement has been duly authorized, executed and delivered by the Company and the ML&Co. Subsidiary and (assuming the due authorization, execution and delivery thereof by the Selling Stockholder) constitutes a valid and binding agreement of the Company and the ML&Co. Subsidiary, enforceable against the Company and the ML&Co. Subsidiary in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(ix) The Indenture has been duly qualified under the 1939 Act.

(x) The Securities, the Indenture and the Stock Agreement conform in all material respects as to legal matters to the descriptions thereof contained in the ML&Co. Prospectus.

(xi) The ML&Co. Registration Statement, including any ML&Co. Rule 462(b) Registration Statement, has been declared effective under the 1933 Act; any required filing of the ML&Co. Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of our knowledge, no stop order suspending the effectiveness of the ML&Co. Registration Statement or any ML&Co. Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

(xii) The ML&Co. Registration Statement, including any ML&Co. Rule 462(b) Registration Statement, the Rule 430A Information and the Rule 434 Information, as applicable, the ML&Co. Prospectus, excluding the documents incorporated by reference therein, and each amendment or supplement to the ML&Co. Registration Statement and

A-2

ML&Co. Prospectus, excluding the documents incorporated by reference therein, as of their respective effective or issue dates (other than the

financial statements and supporting schedules included therein or omitted therefrom, and the Trustee's Statement of Eligibility on Form T-1 (the "Form T-1"), as to which we need express no opinion) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

(xiii) The documents incorporated by reference in the ML&Co. Prospectus (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which we need express no opinion), when they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the requirements of the 1933 Act or the 1934 Act, as applicable, and the rules and regulations of the Commission thereunder.

(xiv) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign (other than under the 1933 Act and the 1933 Act Regulations, which have been obtained, or as may be required under the securities or blue sky laws of the various states and except for the qualification of the Indenture under the 1939 Act, as to which we need express no opinion) is necessary or required in connection with the due authorization, execution and delivery of the Underwriting Agreement by the Company or the due execution, delivery or performance of the Indenture or the Stock Agreement by the Company or for the offering, issuance, sale or delivery of the Securities or for the due execution, delivery or performance of the Stock Agreement by the ML&Co. Subsidiary.

(xv) (A) The execution, delivery and performance by the Company of the Underwriting Agreement, the Indenture and the Securities and the Stock Agreement and the consummation by the Company of the transactions contemplated in the Underwriting Agreement and the Stock Agreement and in the ML&Co. Registration Statement (including the issuance and sale of the Securities and the delivery of shares of SunAmerica Common Stock pursuant thereto and the use of the proceeds from the sale of the Securities as described in the ML&Co. Prospectus under the caption "Use of Proceeds") and compliance by the Company with its obligations under the Underwriting Agreement, the Indenture, the Securities and the Stock Agreement and (B) the execution, delivery and performance by the ML&Co. Subsidiary of the Stock Agreement and the consummation by the ML&Co. Subsidiary of the transactions contemplated therein and compliance by the ML&Co. Subsidiary with its obligations under the Stock Agreement do not and will not, whether with or without the giving of notice or lapse of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined in Section 1(a)(xiii) of the Underwriting Agreement) under or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument, known to us, to which the Company or any subsidiary is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances

A-3

that would not have a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary, or any applicable law, statute, rule, regulation, judgment, order, writ or decree, known to us, of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any subsidiary or any of their respective properties, assets or operations.

We have participated in conferences with officers and representatives of the Company and representatives of the independent accountants of the Company and the Underwriter at which the contents of the ML&Co. Registration Statement and Prospectus and related matters were discussed and, although we are not passing upon or assuming responsibility for the accuracy, completeness or fairness of the statements contained or incorporated by reference in said Registration Statement and Prospectus and have made no independent check or verification thereof, on the basis of the foregoing, nothing has come to our attention that would lead us to believe that the ML&Co. Registration Statement or any amendment thereto, including the Rule 430A Information and Rule 434 Information (if applicable), (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom and the Form T-1, as to which we need make no statement), at the time such ML&Co. Registration Statement or any such amendment became effective or at the date of the Underwriting Agreement, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the ML&Co. Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which we need make no statement), at the time the ML&Co. Prospectus was issued, at the time any such amended or

supplemented prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may rely as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of the Company and public officials.

A-4

Exhibit B

FORM OF OPINION OF UNDERWRITER'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(a) (4)

(i) The SunAmerica Registration Statement, including any SunAmerica Rule 462(b) Registration Statement, has been declared effective under the 1933 Act; any required filing of the SunAmerica Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of our knowledge, no stop order suspending the effectiveness of the SunAmerica Registration Statement or any SunAmerica Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

(ii) The SunAmerica Registration Statement, including any SunAmerica Rule 462(b) Registration Statement, the SunAmerica Prospectus, excluding the documents incorporated by reference therein, and each amendment or supplement to the SunAmerica Registration Statement and SunAmerica Prospectus, excluding the documents incorporated by reference therein, as of their respective effective or issue dates (other than the financial statements and supporting schedules included therein or omitted therefrom, as to which we need express no opinion) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

We have participated in conferences with officers and representatives of SunAmerica, representatives of the independent accountants of SunAmerica, and the Underwriter at which the contents of the SunAmerica Registration Statement and Prospectus and related matters were discussed and, although we are not passing upon or assuming responsibility for the accuracy, completeness or fairness of the statements contained or incorporated by reference in said Registration Statement and Prospectus and have made no independent check or verification thereof, on the basis of the foregoing, nothing has come to our attention that would lead us to believe that the SunAmerica Registration Statement or any amendment thereto, (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which we need make no statement), at the time such SunAmerica Registration Statement or any such amendment became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the SunAmerica Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which we need make no statement), at the time the SunAmerica Prospectus was issued, at the time any such amended or supplemented prospectus was

B-1

issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may rely as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of SunAmerica and public officials.

B-2

Exhibit C

(i) SunAmerica has been duly incorporated and is validly existing as a corporation in good standing under the laws under the State of Maryland; and SunAmerica has the corporate power under the laws of the State of Maryland and under its charter to own, lease and operate its properties and to conduct its business as described in the SunAmerica Registration Statement and the SunAmerica Prospectus;

(ii) the Registration Agreement has been duly authorized and executed by SunAmerica;

(iii) all of the shares of issued and outstanding Nontransferable Class B Stock, par value \$1.00 (the "Class B Stock"), of SunAmerica have been duly authorized and validly issued and are fully paid and non-assessable;

(iv) the statements in the SunAmerica Prospectus under the caption "Description of Capital Stock", insofar as such statements constitute summaries of the legal matters or documents or proceedings referred to therein, fairly present the matters referred to therein;

(v) the execution and delivery of the Registration Agreement, and the consummation of the transactions contemplated therein and in the Underwriting Agreement and Stock Agreement, the delivery, if any, to the ML&Co. Subsidiary of Class B Stock pursuant to the Stock Agreement, and the issuance and delivery to the ML&Co. Subsidiary of shares of SunAmerica Common Stock upon conversion of any such Class B Common Stock, will not result in any violation of the provisions of the articles of incorporation or by-laws of SunAmerica or any material law, administrative regulations or administrative or court decree applicable to SunAmerica (except that no opinion need be expressed with respect to Maryland securities or Blue Sky laws);

(vi) each share of Class B Stock is convertible into one share of SunAmerica Common Stock; the shares of SunAmerica Common Stock issuable upon conversion of the Class B Stock have been duly authorized and reserved for issuance upon such conversion; and, upon the delivery, if any, to the ML&Co. Subsidiary of shares of Class B Stock pursuant to the Stock Agreement, such shares will immediately and automatically convert into a like number of shares of SunAmerica Common Stock and such shares of SunAmerica Common Stock, when issued and delivered upon such conversion, will be validly issued, fully paid and non-assessable and the issuance of such shares of SunAmerica Common Stock upon such conversion will not be subject to any preemptive or other similar rights arising by law or under SunAmerica's charter or by-laws;

C-1

(vii) the forms of certificates used to evidence the Class B Stock and the SunAmerica Common Stock comply with all applicable statutory requirements; and

(viii) SunAmerica's Restated Articles of Incorporation filed with the Maryland State Department of Assessments and Taxation on October 3, 1991 represented on such date the true, correct and complete articles of incorporation, as amended, governing SunAmerica.

C-2

Exhibit D

FORM OF OPINION OF SUNAMERICA'S GENERAL COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(a) (6)

(i) to the best of such counsel's knowledge and information, SunAmerica is duly qualified as a foreign corporation to transact business and in good standing in each jurisdiction in which such qualification is required, except where the failure to so qualify or be in good standing would not have a material adverse effect on the condition, financial or otherwise, on the earnings or business affairs of SunAmerica and its subsidiaries, taken as a whole;

(ii) the authorized, issued and outstanding capital stock of SunAmerica is correctly set forth in the SunAmerica Prospectus under "Description of Capital Stock";

(iii) each of SunAmerica Life Insurance Company, First SunAmerica Life Insurance Company, Anchor National Life Insurance Company, SunAmerica Asset Management Corp., Resources Trust Company, Royal Alliance Associates, Inc., SunAmerica Securities, Inc., and Ford Life Insurance Company (each a "Subsidiary" and, collectively, the "Subsidiaries") has been duly

incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the SunAmerica Registration Statement and SunAmerica Prospectus, it being understood that as to each Subsidiary, the foregoing opinion is based solely on a certificate dated as of a recent date of an appropriate official of the jurisdiction of incorporation of such Subsidiary and, as applicable, a letter from CT Corporation System dated as of a recent date as to the good standing of such Subsidiary in such jurisdiction, copies of which will be delivered to the Underwriter on the date of such opinion; nothing has come to the attention of such counsel to lead such counsel to believe that any of SunAmerica Life Insurance Company, Anchor National Life Insurance Company or SunAmerica Asset Management Corp. is not duly qualified as a foreign corporation to transact business or is not in good standing in each jurisdiction in which such qualification is required, except where the failure to so qualify or be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of SunAmerica and its subsidiaries, considered as one enterprise; to the best of such counsel's knowledge and information, all of the issued and outstanding capital stock of each Subsidiary is owned (except for directors qualifying shares) directly or through subsidiaries, by SunAmerica, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity;

(iv) to the best of such counsel's knowledge and information, the execution and delivery of the Registration Agreement by SunAmerica and the consummation of the

D-1

transactions contemplated therein by SunAmerica, and the delivery, if any, to the ML&Co. Subsidiary of Nontransferable Class B Stock, par value \$1.00 per share (the "Class B Stock"), of SunAmerica pursuant to the Stock Agreement and the issuance and delivery to the ML&Co. Subsidiary of shares of SunAmerica Common Stock upon conversion of any such Class B Common Stock, will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property of assets of SunAmerica or any of the Subsidiaries pursuant to, any material contract, indenture, mortgage, loan agreement, note, lease or other instrument to which SunAmerica or any of the Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of SunAmerica or any of the Subsidiaries is subject, except for a conflict, breach, default, lien, charge or encumbrance which would not have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of SunAmerica and its subsidiaries considered as one enterprise, nor will such action result in any violation of the provisions of the articles of incorporation or by-laws of SunAmerica and the Subsidiaries or any material applicable law, administrative regulation or administrative or court decree and, to the best of such counsel's knowledge and information, no consent, approval, authorization or order of or qualification with any court or administrative or governmental authority or agency is required for the performance by SunAmerica of its obligations under the Registration Agreement except such as may be required by the 1933 Act or the rules and regulations thereunder, the securities or Blue sky laws or insurance securities laws of the various states or except such as have been obtained;

(v) to the best of such counsel's knowledge and information, there are no statutes or regulations that are required to be described in the SunAmerica Registration Statement or the SunAmerica Prospectus that are not described as required and there are no legal or governmental proceedings pending or threatened which are required to be described in the SunAmerica Registration Statement, other than these disclosed therein;

(vi) to the best of such counsel's knowledge and information there are no contracts, indentures, mortgages, loan agreements, notes, leases or other instruments required to be described or referred to in the SunAmerica Registration Statement or to be filed as exhibits thereto, other than those described or referred to therein or filed as exhibits thereto, the descriptions thereof or references thereto are correct in all material respects and, to the best of such counsel's knowledge and information, no default exists in the due performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage loan agreement, note, lease or other instrument so described, referred to or filed, which default could have a material adverse effect on SunAmerica and its subsidiaries considered as one enterprise;

(vii) such counsel (1) is of the opinion that each document, if any, filed pursuant to the 1934 Act and incorporated by reference in the SunAmerica Prospectus at the time it was filed or last amended (except for financial statements, supporting schedules and other financial data included or incorporated by reference therein, as to which such counsel need not express any opinion) appeared on its face to be appropriately

responsive in all material respects to the requirements of the 1934 Act and the applicable rules and

D-2

regulations of the Commission thereunder, (2) believes that (except for financial statements, supporting schedules and other financial data included or incorporated by reference therein, as to which such counsel need not express any belief) each part of the Registration Statement and any SunAmerica Rule 462(b) Registration Statement, when such part became effective and as of the date of the Underwriting Agreement, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (3) is of the opinion that each of the SunAmerica Registration Statement (and any SunAmerica Rule 462(b) Registration Statement, as of its effective date, and the SunAmerica Prospectus, as of the Closing Time (except in each case for financial statements, supporting schedules and other financial data included or incorporated by reference therein, as to which such counsel need not express any opinion), appeared on their face to be appropriately responsive in all material respects to the requirements of the 1933 Act and the applicable rules and regulations of the Commission thereunder and (4) believes that (except for financial statements, supporting schedules and other financial data included or incorporated by reference therein, as to which such counsel need not express any belief) the SunAmerica Prospectus, as of its date and as of the Closing Time, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(viii) the SunAmerica Registration Statement (including any SunAmerica Rule 462(b) Registration Statement) is effective under the 1933 Act and to the best of such counsel's knowledge, no stop order suspending the effectiveness of the SunAmerica Registration Statement or any SunAmerica Rule 462(b) Registration Statement is in effect under the 1933 Act, and no proceedings for such purpose are pending before or threatened by the Commission.

With respect to the foregoing paragraph, such counsel may state that her opinion and belief are based upon her participation in the preparation of the SunAmerica Registration Statement and SunAmerica Prospectus and any amendments, supplements thereto and documents incorporated therein by reference and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

In rendering such opinion, such counsel may rely, as to matters governed by laws other than the laws of the State of California and the federal law of the United States of America, on an opinion or opinions of Davis Polk & Wardwell and Piper & Marbury L.L.P., in each case so long as such opinion shall be dated as of Closing Time and in form and substance satisfactory to the Underwriter, and shall expressly permit the Underwriter to rely thereon as if such opinion were addressed to the Underwriter.

D-3

Exhibit E

FORM OF OPINION OF SUNAMERICA'S SPECIAL COUNSEL
AND THE SELLING STOCKHOLDER'S COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(a) (7)

(i) the statements in the SunAmerica Prospectus under the caption "Description of Capital Stock" [and in the ML&Co. Prospectus under the captions "Summary--Stock Agreement with the Selling Stockholder" and "Certain Arrangements with the Selling Stockholder",] insofar as such statements constitute summaries of the legal matters or documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents or proceedings and fairly summarize the matters referred to therein;

(ii) such counsel (1) believes that (except for financial statements, supporting schedules and other financial data included or incorporated by reference therein and any of the documents incorporated by reference therein, as to which such counsel need not express any belief) each part of the SunAmerica Registration Statement and any SunAmerica Rule 462(b) Registration Statement, when such part became effective and as of the date of the Underwriting Agreement, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (2) is of the opinion that each of the SunAmerica Registration Statement and any SunAmerica Rule 462(b) Registration Statement, as of its

effective date, and the SunAmerica Prospectus, as of the Closing Time (except in each case for financial statements, supporting schedules and other financial data included or incorporated by reference therein and any of the documents incorporated or deemed to be incorporated by reference therein, as to which such counsel need not express any opinion) appeared on its face to be appropriately responsive in all material respects to the requirements of the 1933 Act and the applicable rules and regulations of the Commission thereunder and (3) believes that (except for financial statements, supporting schedules and other financial data included or incorporated by reference therein or in any of the documents incorporated or deemed to be incorporated by reference therein, as to which such counsel need not express any belief) the SunAmerica Prospectus, as of its date and as of the Closing Time, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iii) the SunAmerica Registration Statement (including any SunAmerica Rule 462(b) Registration Statement) is effective under the 1933 Act and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the SunAmerica Registration Statement or any SunAmerica Rule 462(b) Registration Statement is in effect under the 1933 Act, and no proceedings for such purpose are pending before or threatened by the Commission;

E-1

(iv) SunAmerica is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(v) to the best of such counsel's knowledge and information, no consent, approval, authorization or order of or qualification or filing with any New York State or federal court or New York State or federal administrative or governmental authority or agency is required for the execution, delivery or performance by SunAmerica or the Selling Stockholder of the Underwriting Agreement, the Registration Agreement or the Stock Agreement, or the delivery, if any, to the ML&Co. Subsidiary of Nontransferable Class B Stock, par value \$1.00 per share (the "Class B Stock"), of SunAmerica pursuant to the Stock Agreement or the issuance and delivery to the ML&Co. Subsidiary of shares of SunAmerica Common Stock upon conversion of any such Class B Stock, except such as have been obtained under the 1933 Act or such as may be required under the securities or Blue Sky laws or insurance securities laws of the various states;

(vi) the Underwriting Agreement has been duly executed and delivered by the Selling Stockholder;

(vii) the Stock Agreement has been duly executed and delivered by, and is a valid and binding agreement of, the Selling Stockholder, enforceable in accordance with its terms except (a) as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, (b) as the availability of equitable remedies may be limited by equitable principles of general applicability and (c) that such counsel shall state that its opinion, set forth in this paragraph (vii) does not consider the application of the CEA to the matters set forth herein;

(viii) the execution and delivery of the Underwriting Agreement, the Registration Agreement and the Stock Agreement and the consummation of the transactions contemplated therein, and the delivery, if any, to the ML&Co. Subsidiary of Class B Stock pursuant to the Stock Agreement and the issuance and delivery to the ML&Co. Subsidiary of shares of SunAmerica Common Stock upon conversion of any such Class B Common Stock, will not, to the best of such counsel's knowledge and information, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Selling Stockholder pursuant to, any material contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Selling Stockholder is a party or by which the Selling Stockholder may be bound, or to which any of the property or assets of the Selling Stockholder is subject, nor will any such action result in any violation of any material applicable law or administrative regulation of the United States or of the State of New York or any material administrative or court decree;

(ix) the Selling Stockholder is the sole registered owner of the 3,000,000 shares of Class B Stock (the "Subject Shares") delivered to . pursuant to the Stock Agreement and of at least 450,000 additional shares (the "Additional Shares") of Class B Stock, in each case, free and clear, to the best knowledge and information of such counsel, of any

E-2

security interest, mortgage, pledge, lien, encumbrance, claim or equity; to the best knowledge and information of such counsel, the Selling Stockholder

is the sole beneficial owner of, and no person other than the Selling Stockholder has any beneficial interest, in the Subject Shares or the Additional Shares; and

(x) upon delivery to the ML&Co. Subsidiary of certificates for shares of Class B Stock or SunAmerica Common Stock pursuant to the Stock Agreement, in each case in registered form duly endorsed to the ML&Co. Subsidiary or in blank by the Selling Stockholder, the ML&Co. Subsidiary will acquire, assuming that the ML&Co. Subsidiary purchased such shares for value and in good faith and without notice of any "adverse claim" (as such term is defined in Section 8-302(2) of the New York Uniform Commercial Code), all of the rights of the Selling Stockholder (a) in the case of shares of SunAmerica Common Stock, such shares and (b) in the case of shares of Class B Stock, an equivalent number of shares of SunAmerica Common Stock, in each case free and clear of all adverse claims, any security interest created by the transferor that may be perfected under the New York Uniform Commercial Code and, to the best of their knowledge, without independent investigation, any mortgage, pledge, lien, encumbrance or equity.

With respect to the opinion set forth in paragraph (iv), such counsel may state that their opinion and belief are based upon their participation in the preparation of the SunAmerica Registration Statement and the SunAmerica Prospectus and any amendments or supplements thereto (other than the documents incorporated by reference) and upon review and discussion of the contents thereof (including documents incorporated by reference) but are without independent check or verification, except as specified.

In rendering such opinion, such counsel may rely, as to matters governed by laws other than the laws of the State of New York and the federal law of the United States of America, on an opinion or opinions of Piper & Marbury L.L.P., so long as such opinion shall be dated as of Closing Time and in form and substance satisfactory to the Underwriter, and shall expressly permit the Underwriter to rely thereon as if such opinion were addressed to the Underwriter.

SUNAMERICA INC.
(a Maryland corporation)

REGISTRATION AGREEMENT

Dated: June __, 1996

SUNAMERICA INC.
(a Maryland corporation)

REGISTRATION AGREEMENT

June __, 1996

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

MERRILL LYNCH & CO., INC.
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

SunAmerica Inc., a Maryland corporation (the "Company"), and Mr. Eli Broad (the "Selling Stockholder") confirm their respective agreements with Merrill Lynch & Co., Inc., a Delaware corporation ("ML&Co."), and with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), in connection with the proposed issue and sale by ML&Co. to the Underwriter, pursuant to an underwriting agreement, dated the date hereof (the "Underwriting Agreement"), among ML&Co. and the Underwriter, of an aggregate of 3,000,000 of ML&Co.'s Structured Yield Product Exchangeable for Stock/SM/, ___% STRYPES/SM/ due _____, 1999 (each, a "STRYPES"), payable at maturity or upon redemption by delivery of shares of Common Stock, par value \$1.00 per share (the "SunAmerica Common Stock"), of the Company, and, at the option of the Underwriter, all or any part of 450,000 additional STRYPES to cover over-allotments, if any. The aforesaid 3,000,000 STRYPES (the "Initial Securities") to be purchased by the Underwriter and all or any part of the 450,000 STRYPES subject to the option described in Section 2(b) of the Underwriting Agreement (the "Option Securities") are hereinafter called, collectively, the

"Securities." Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Underwriting Agreement.

The Company understands that the Underwriter proposes to make a public offering of the Securities as soon as the Underwriter deems advisable after this Agreement and the Underwriting Agreement have been executed and delivered. The Company acknowledges that the execution and delivery of this Agreement is a condition to the execution and delivery of the Underwriting Agreement by the

Underwriter and ML&Co. and that, in consideration of the execution and delivery of the Underwriting Agreement by the Underwriter and ML&Co., the Company is willing to make the representations, warranties and covenants herein contained.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-4111) covering the registration of 3,450,000 shares of SunAmerica Common Stock that may be delivered at maturity or upon redemption of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus or prospectuses. Each prospectus used before such registration statement became effective is herein called a "SunAmerica preliminary prospectus." Such registration statement, including the exhibits thereto, the schedules thereto, if any, and the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, at the time it became effective, is herein called the "SunAmerica Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") is herein referred to as the "SunAmerica Rule 462(b) Registration Statement," and after such filing the term "SunAmerica Registration Statement" shall include the SunAmerica Rule 462(b) Registration Statement. The final prospectus, including the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, in the form first furnished to the Underwriter for use in connection with the offering of the Securities is herein called the "SunAmerica Prospectus." For purposes of this Agreement, all references to the SunAmerica Registration Statement, any SunAmerica preliminary prospectus, the SunAmerica Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

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

2

Prior to the closing under the Underwriting Agreement, the Company, Merrill Lynch Capital Services, Inc., a wholly owned subsidiary of ML&Co. (the "ML&Co. Subsidiary"), and the Selling Stockholder have entered into an agreement (the "Stock Agreement"), pursuant to which the Selling Stockholder is obligated to deliver to the ML&Co. Subsidiary, on _____, 1999 or immediately prior to a redemption of his obligations under the Stock Agreement, a specified number of shares of SunAmerica Common Stock, subject to the Selling Stockholder's option, exercisable in his sole discretion, to satisfy his obligations under the Stock Agreement by delivering immediately prior to such maturity or redemption a specified amount of cash in lieu of such shares.

1. Representations and Warranties. (A) The Company represents and warrants to each of the Underwriter and to ML&Co. as of the date hereof, as of the Closing Time referred to in Section 2(c) of the Underwriting Agreement, and as of each Date of Delivery (if any) referred to in Section 2(b) of the Underwriting Agreement, and agrees with each of the Underwriter and ML&Co. as follows:

(a) The SunAmerica Registration Statement (including the most recent post-effective amendment thereto, if any) has been declared effective by the Commission; no stop order suspending the effectiveness of the SunAmerica Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) Each document filed or to be filed pursuant to the Exchange Act and incorporated by reference in the SunAmerica Prospectus complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, (ii) each part of the SunAmerica Registration Statement, when such part became effective, did not contain, and each such part, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the SunAmerica Registration Statement, since the later of the date it became effective and the date of the most recent post-effective amendment, if any, will not fail to reflect any facts or events which individually or in the aggregate represent a fundamental change in the information set forth in the SunAmerica Registration Statement as of such date, (iii) the SunAmerica

Registration Statement and the SunAmerica Prospectus comply, and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (iv) the SunAmerica Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this Section 1(b) do not apply to statements or omissions in the SunAmerica Registration Statement or the SunAmerica Prospectus based upon information relating to the Underwriter or ML&Co. furnished to the Company in writing by the Underwriter or ML&Co. expressly for use therein.

3

(c) This Agreement and the transactions contemplated hereby have been duly authorized, and this Agreement has been duly executed and delivered by the Company.

(d) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Maryland, with corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the SunAmerica Registration Statement and SunAmerica Prospectus; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of the Company and its subsidiaries, considered as one enterprise.

(e) Each of SunAmerica Life Insurance Company, First SunAmerica Life Insurance Company, Anchor National Life Insurance Company, SunAmerica Asset Management Corp., Resources Trust Company, Royal Alliance Associates, Inc., SunAmerica Securities, Inc., Ford Life Insurance Company and CalFarm Life Insurance Company (together, the "Subsidiaries") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the SunAmerica Registration Statement and SunAmerica Prospectus, and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of the Company and its subsidiaries, considered as one enterprise; and all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued, is fully paid and nonassessable and is owned (except for directors qualifying shares) directly or through subsidiaries, by the Company, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(f) The authorized, issued and outstanding capital stock of the Company is as set forth in the SunAmerica Registration Statement and SunAmerica Prospectus (except for subsequent issuances, if any, pursuant to reservations, stock option agreements, employee benefit plans or the exercise of convertible securities which may be referred to in the SunAmerica Registration Statement and SunAmerica Prospectus); all of the issued and outstanding shares of capital stock have been duly authorized and validly issued and are fully paid, nonassessable and not subject to any preemptive or similar rights.

4

(g) None of the Company nor any of the Subsidiaries is in violation of its respective charter or bylaws, as applicable, or in default in the performance of any material obligation, agreement, covenant or condition contained in any material contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of the Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or of any of the Subsidiaries is subject, or in violation of any applicable law, administrative regulation or administrative or court order or decree, which violation or default would, singly or in the aggregate, have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of the Company and its subsidiaries, considered as one enterprise; and the execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement and the registration of the SunAmerica Common Stock, will not conflict with or constitute a breach of, or a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company

or any of the Subsidiaries pursuant to, any material contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of the Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject, except for a conflict, breach, default, lien, charge or encumbrance which would not have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of the Company and its subsidiaries considered as one enterprise, nor will such action result in any violation of the provisions of the articles of incorporation or by-laws of the Company or any of the Subsidiaries or any applicable law, administrative regulation or administrative or court decree and no consent, approval, authorization or order of or qualification with any governmental body or agency is required for the performance by the Company of its obligations under this Agreement or the issuance and sale of the Securities, except such as may be required by the securities or Blue Sky laws or insurance securities laws of the various states in connection with the offer and sale of the Securities.

(h) There are no legal or governmental proceedings pending or, to the knowledge of the Company threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the SunAmerica Registration Statement or the SunAmerica Prospectus and are not so described or which are reasonably likely to result in any material adverse change in the condition, financial or otherwise, or in the earnings or business affairs of the Company and its subsidiaries, considered as one enterprise, or which would be reasonably likely to materially and adversely affect a material portion of the properties or assets thereof or which is reasonably likely to materially and adversely affect the consummation of this Agreement; all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the SunAmerica Registration Statement or the Sun America Prospectus, including ordinary routine litigation incidental to the business of the Company or any of its subsidiaries, are, considered in the aggregate, not material;

5

and there are no contracts or documents that are required to be filed as exhibits to the SunAmerica Registration Statement by the Securities Act, the Exchange Act or the rules and regulations thereunder, that have not been filed as required.

(i) Price Waterhouse LLP, the accountants who certified the financial statements and supporting schedules of the Company included or incorporated by reference in the SunAmerica Registration Statement and SunAmerica Prospectus, are independent public accountants with respect to the Company and the subsidiaries of the Company as required by the Securities Act and the rules and regulations promulgated thereunder.

(j) The financial statements of the Company included or incorporated by reference in the SunAmerica Registration Statement or SunAmerica Prospectus present fairly the financial position of the Company and the consolidated subsidiaries of the Company as of the dates indicated and the results of their operations for the periods specified; except as otherwise stated in the SunAmerica Registration Statement and SunAmerica Prospectus, said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis; and the supporting schedules included or incorporated by reference in the SunAmerica Registration Statement or SunAmerica Prospectus present fairly the information required to be included therein.

(k) Since the respective dates as of which information is given in the SunAmerica Registration Statement and SunAmerica Prospectus, and except as otherwise stated or contemplated therein, (i) there has been no material adverse change and no development involving a prospective material adverse change in the condition, financial or otherwise, or in the earnings or business affairs of the Company and its subsidiaries, considered as one enterprise, whether or not arising in the ordinary course of business, (ii) there have been no transactions entered into by the Company or any of the Subsidiaries which are material to the Company and its subsidiaries, considered as one enterprise, other than those entered into in the ordinary course of business and (iii) except for regular quarterly dividends, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(l) The Company and the Subsidiaries possess such certificates, authorizations or permits issued by the appropriate state or federal regulatory agencies or bodies as are necessary to conduct the business as now conducted by them and as described in the SunAmerica Registration Statement or SunAmerica Prospectus, except where the failure to so possess such certificates, authorizations or permits would not have a material adverse effect on the condition, financial or otherwise, or the earnings or business affairs of the Company and its subsidiaries, considered as one

enterprise; and neither the Company nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, is reasonably likely to have a material adverse effect on the condition, financial or otherwise, or the

6

earnings or business affairs of the Company and its subsidiaries, considered as one enterprise.

(m) Neither the Company nor any of its affiliates is presently doing business with the government of Cuba or with any person or affiliate located in Cuba.

(n) There are no holders of securities of the Company with currently exercisable registration rights to have any securities registered as part of the SunAmerica Registration Statement or included in the offering contemplated by this Agreement.

(o) The SunAmerica Common Stock conforms in all material respects to the statements relating thereto contained in the SunAmerica Prospectus and the SunAmerica Registration Statement.

(p) The Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(q) All of the SunAmerica Stock currently held by the Selling Stockholder is, and the SunAmerica Common Stock which will be issued upon conversion of shares of the Company's Nontransferable Class B Stock, par value \$1.00 per share ("Class B Stock"), currently held by the Selling Stockholder will be, validly issued, fully paid and non-assessable and not be subject to any preemptive or other right to subscribe for or purchase Class B Stock or SunAmerica Common Stock.

(B) The Selling Stockholder represents and warrants to each of the Underwriter and ML&Co. as of the date hereof, as of the Closing Time referred to in Section 2(c) of the Underwriting Agreement, and as of each Date of Delivery (if any) referred to in Section 2(b) of the Underwriting Agreement, and agrees with each of the Underwriter and ML&Co. as follows:

(a) At the date hereof, the Selling Stockholder is the sole registered owner of and has all rights in and to at least 3,450,000 shares of Class B Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. If and when the Selling Stockholder delivers to the ML&Co. Subsidiary shares of Class B Stock or SunAmerica Common Stock pursuant to the Stock Agreement, upon delivery by the Selling Stockholder to the ML&Co. Subsidiary of such shares of SunAmerica Stock pursuant to the Stock Agreement, the ML&Co. Subsidiary will be the sole registered owner of an equivalent number of shares of SunAmerica Common Stock and, assuming the ML&Co. Subsidiary purchased for value in good faith and without notice of any adverse claim, the ML&Co. Subsidiary will have acquired all rights in and to such shares of SunAmerica Common Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. The delivery of shares of SunAmerica Class B Stock or Common Stock to the ML&Co. Subsidiary in accordance with the Stock Agreement is not, and at the time

7

of delivery of such shares will not be, subject to any right of first refusal or similar rights of any person pursuant to any contract to which the Selling Stockholder is a party or by which he is bound.

(b) This Agreement has been duly executed and delivered by the Selling Stockholder.

(c) The Stock Agreement at the Closing Time, will have been duly executed and delivered by the Selling Stockholder and (assuming the due authorization, execution and delivery by the ML&Co. Subsidiary) will constitute a valid and binding agreement of the Selling Stockholder, enforceable against the Selling Stockholder in accordance with its terms, except (x) as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally, (y) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and (z) that the Selling Stockholder makes no representation or warranty as to the application of the Commodities Exchange Act or the rules and regulations of the Commodities Futures Trading Commission promulgated thereunder (collectively, the "CEA"), to the matters set forth in this paragraph (c). Amounts received by the Selling Stockholder at Closing Time and at each Date of Delivery, if any, pursuant to the Stock Agreement will not be used

by the Selling Stockholder for the purpose, whether immediate, incidental or ultimate, of buying or carrying a margin stock, as such terms are defined in Regulation G promulgated by the Board of Governors of the Federal Reserve System.

(d) The execution, delivery and performance by the Selling Stockholder of this Agreement and the Stock Agreement and the consummation by the Selling Stockholder of the transactions contemplated herein and therein and compliance by the Selling Stockholder with its obligations hereunder and thereunder do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or a Selling Stockholder Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Selling Stockholder pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument to which the Selling Stockholder is a part or by which he may be bound, or to which any of the property or assets of the Selling Stockholder is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not, singly or in the aggregate, materially and adversely affect the ability of the Selling Stockholder to perform his obligations under this Agreement or the Stock Agreement), nor will such action result in any violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Selling Stockholder or any of his assets, properties or operations (except for (x) such violations that would not, singly or in the aggregate, materially and adversely affect the ability of the Selling

8

Stockholder to perform his obligations under this Agreement or the Stock Agreement and (y) violations of the CEA, as to which the Selling Stockholder makes no representation or warranty). As used herein, a "Selling Stockholder Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Selling Stockholder.

(e) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the execution, delivery or performance by the Selling Stockholder of this Agreement or the Stock Agreement or the consummation by the Selling Stockholder of the transactions contemplated by this Agreement or the Stock Agreement, except (x) such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws, and (y) that the Selling Stockholder makes no representation or warranty as to the application of the CEA to the matters set forth in this paragraph (e).

(f) The Selling Stockholder is familiar with the representations and warranties of SunAmerica contained in Section 1(A) of this Agreement and the information included or incorporated by reference in the SunAmerica Registration Statement and the SunAmerica Prospectus and has no reason to believe that (x) the representations and warranties of SunAmerica contained in Section 1(A) of this Agreement are not true and correct, (y) the SunAmerica Registration Statement, any SunAmerica Rule 462(b) Registration Statement or any post-effective amendments thereto, at the respective times the SunAmerica Registration Statement, any SunAmerica Rule 462(b) Registration Statement or any post-effective amendments thereto became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (z) the SunAmerica Prospectus or any amendment or supplement thereto, at the time the SunAmerica Prospectus was issued, at the time any such amended or supplemented prospectus was issued or at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Any certificate signed by the Selling Stockholder delivered to the Underwriter or the Company shall be deemed a representation and warranty by the Selling Stockholder to the Underwriter or the Company, as the case may be, as to the matters covered thereby.

2. Covenants of the Company. In further consideration of the

agreements of the Underwriter and ML&CO. contained herein, the Company covenants as follows:

(a) To furnish the Underwriter, without charge, a signed copy of the SunAmerica Registration Statement (including exhibits thereto) and, during the period mentioned in paragraph (c) below, as many copies of the SunAmerica

ments incorporated by reference therein and any supplements and amendments thereto or to the SunAmerica Registration Statement as the Underwriter may reasonably request.

(b) Before amending or supplementing the SunAmerica Registration Statement or the SunAmerica Prospectus with respect to the SunAmerica Common Stock, to furnish to the Underwriter a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Underwriter reasonably objects.

(c) If, during such period after the first date of the public offering of the Securities as the SunAmerica Prospectus is required by law to be delivered in connection with sales by the Underwriter or any dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the SunAmerica Prospectus in order to make the statements therein, in the light of the circumstances when the SunAmerica Prospectus is delivered to a purchaser, not misleading, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriter, and to any dealers (whose names and addresses the Underwriter will furnish to the Company) to which Securities may have been sold by the Underwriter and to any other dealer upon request, either amendments or supplements to the SunAmerica Prospectus so that the statements in the SunAmerica Prospectus as so amended or supplemented will not, in the light of the circumstances when the SunAmerica Prospectus is delivered to a purchaser, be misleading or so that the SunAmerica Prospectus, as so amended or supplemented, will comply with law.

(d) To endeavor to qualify the SunAmerica Common Stock for offer and sale under the securities or Blue Sky laws or insurance securities laws of such jurisdictions as the Underwriter shall reasonably request.

(e) To make generally available to the Company's security holders and to the Underwriter as soon as practicable an earning statement covering a twelve month period beginning on the first day of the first full fiscal quarter after the date of this Agreement, which earning statement shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(f) During the period mentioned in paragraph (c) above, to advise the Underwriter promptly of the issuance by the Commission of any stop order suspending the effectiveness of the SunAmerica Registration Statement or the initiation or threatening of any proceeding for that purpose.

(g) Not to, and to cause its subsidiaries not to, without the prior written consent of the Underwriter, directly or indirectly, for a period of 60 days after the date of the ML&Co. Prospectus, sell, offer to sell, grant any option for the sale of, or otherwise dispose of, or enter into any agreement to sell, any SunAmerica Common Stock or any securities convertible into or exchangeable or exercisable for any SunAmerica Common Stock; provided, however, that such restriction shall not affect the ability of SunAmerica or its subsidiaries to take any such action (i) as a consequence of obligations under securities outstanding prior to the date of the ML&Co. Prospectus, (ii) in connection with any

employee benefit or incentive plan of SunAmerica or its subsidiaries, (iii) in connection with the offering of the Securities or (iv) in connection with the transactions contemplated as of the date hereof by the Share Exchange Agreement dated as of January 12, 1996, by and among the Company, Stanford Ranch, Inc. and the stockholders of Stanford Ranch, Inc. listed in the signature pages thereto.

(h) To make timely filings of periodic reports under the 1934 Act and to take all other actions reasonably requested by the ML&Co. Subsidiary which request shall be based on an opinion of Brown & Wood, and which opinion shall state that it is based on a change in law, regulation or judicial or regulatory interpretation since the date hereof, to ensure the availability of Rule 144 under the 1933 Act in connection with resales of SunAmerica Common Stock by the ML&Co. Subsidiary.

(i) If the bank or trust company (the "Custodian") acting as collateral agent and custodian for the ML&Co. Subsidiary delivers to the Company (or its transfer agent) for transfer shares of Class B Stock together with duly executed stock transfer powers therefor, to (or cause its transfer agent to) deliver immediately an equivalent number of shares of SunAmerica Common Stock to the transferees named in such stock powers.

(j) So long as any Securities remain outstanding, not to amend its charter in any way that would adversely affect the rights, preferences and privileges of the holders of Class B Stock including, without limitation, (i) the combination or reclassification of Class B Stock; (ii) the convertibility of Class B Stock into SunAmerica Common Stock including but not limited to the

conversion of Class B Stock into shares of SunAmerica Common Stock upon a transfer of shares of Class B Stock not permitted under SunAmerica's charter; (iii) the exchange of Class B Stock for shares of Transferable Class B Stock; (iv) the ability to pledge shares of Class B Stock as collateral security for indebtedness and the ability of pledgees to register such pledged shares in "street" or "nominee" name; and (v) the reservation and availability of SunAmerica Common Stock for issuance upon conversion of outstanding shares of Class B Stock. The amendment (as described at pages 14 and 15 of the Company's Notice of Annual Meeting of Shareholders and Proxy Statement dated January 15, 1996) to the Company's charter that was approved by the Company's shareholders at the Company's Annual Meeting on February 16, 1996 shall not be deemed to adversely affect the Nontransferable Class B Stock in any way.

3. Covenants of the Selling Stockholder.

(a) The Selling Stockholder covenants with the Underwriter that, during a period of 60 days from the date of this Agreement, the Selling Stockholder will not, without the prior written consent of the Underwriter, (x) offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any shares of SunAmerica Common Stock, securities convertible into, exchangeable for or exercisable for or repayable with shares of SunAmerica Common Stock or any rights or warrants to acquire shares of SunAmerica Common Stock, or (y) cause to be filed any registration statement under the 1933 Act with respect to any shares of SunAmerica Common Stock, securities convertible into, exchangeable for or exercisable for or repayable with

11

shares of SunAmerica Common Stock, or any rights or warrants to acquire shares of SunAmerica Common Stock; provided, however, that such restriction shall not affect the ability of the Selling Stockholder to transfer SunAmerica Common Stock (i) upon his death, (ii) in a bona fide gift where the donee agrees to a similar restriction on transfer and (iii) pursuant to the Share Exchange Agreement dated as of January 31, 1996 by and among the Company, Stanford Ranch, Inc., the Selling Stockholder and other Stanford Ranch Stockholders listed in the signature pages thereto.

(b) At or prior to Closing Time, the Selling Stockholder will deliver to the ML&Co. Subsidiary a duly executed purpose statement on Form FR, G-3 of the Board of Governors of the Federal Reserve System with respect to the Stock Agreement.

4. Indemnification and Contribution. The Company and the Selling

Stockholder jointly and severally agree to indemnify and hold harmless the Underwriter, ML&Co. and each person, if any, who controls the Underwriter or ML&Co. within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, expense and liabilities, joint or several (including, without limitation, any legal or other expenses reasonably incurred by any Underwriter or any such controlling person in connection with defending or investigating any such action or claim) (collectively, "Losses"), caused by any untrue statement or alleged untrue statement of a material fact contained in the SunAmerica Registration Statement or any amendment thereof, any SunAmerica preliminary prospectus or the SunAmerica Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such Losses are caused by any such untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information furnished to the Company by the Underwriter or ML&Co. in writing expressly for use therein; provided, however, that the foregoing indemnity agreement with respect to any SunAmerica preliminary prospectus shall not inure to the benefit of the Underwriter or ML&Co., or any person controlling the Underwriter or ML&Co., if a copy of the SunAmerica Prospectus (as then amended or supplemented, if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of the Underwriter to the person asserting such Losses, if required by law so to have been delivered, at or prior to the purchase of Securities by such person, and if the SunAmerica Prospectus (as so amended or supplemented) would have cured the defect giving rise to such Losses. This indemnity will be in addition to any liability which the Company and the Selling Stockholder may otherwise have.

The obligations and liabilities of the Company under the immediately preceding paragraph shall be subject to the following terms and conditions: (i) the indemnified party shall have previously requested indemnification for the Losses from the Selling Stockholder under this Section 4; (ii) the Company shall have received from the indemnified party notice of the indemnified party's request for indemnification from the Selling Stockholder; and (iii)

12

the Selling Stockholder shall have failed to pay or reimburse such indemnified

party, within 60 days from the date such request was made, in accordance with such request.

The Underwriter agrees to indemnify and hold harmless the Company, its directors, its officers who sign the SunAmerica Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and the Selling Stockholder to the same extent as the foregoing indemnity from the Company and the Selling Stockholder to such Underwriter, but only to the extent that any untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with information furnished to the Company by the Underwriter or ML&Co. in writing expressly for use in the SunAmerica Registration Statement, any SunAmerica preliminary prospectus, the SunAmerica Prospectus or any amendments or supplements thereto. This indemnity will be in addition to any liability which the Underwriter may otherwise have.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either of the two preceding paragraphs, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Underwriter, in the case of parties indemnified pursuant to the second preceding paragraph, and by the Company and the Selling Stockholder, in the case of parties indemnified pursuant to the first preceding paragraph. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

13

If the indemnification provided for in the first or second paragraph in this Section 4 is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriter and ML&Co. on the other hand, from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholder on the one hand and of the Underwriter and ML&Co. on the other hand in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the offering of the Securities shall be deemed to be such that the Underwriter and ML&Co. shall be responsible for that portion of the aggregate amount of such Losses, represented by the percentage that the total underwriting discount received by the Underwriter, as set forth on the cover of the ML&Co. Prospectus, bears to the aggregate initial public offering price of the Securities as set forth on such cover and the Company and the Selling Stockholder shall be responsible for the balance. The relative fault of the Company and the Selling Stockholder on the one hand and of the Underwriter and ML&Co. on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholder, on the one hand, or by the Underwriter or ML&Co., on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Selling Stockholder, the Underwriter and ML&Co. agree that it would not be just or equitable if contribution pursuant to this Section 4 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4, the Underwriter and ML&Co. shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities distributed to the public were offered to the public exceeds the amount of any damages that the Underwriter and ML&Co. has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 4 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution provisions contained in this Section 4 and the representations and warranties of the Company and the Selling Stockholder, respectively,

14

contained herein shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or ML&Co. or any person controlling the Underwriter or ML&Co. or by or on behalf of the Company, its directors or officers or any person controlling the Company or by or on behalf of the Selling Stockholder and (iii) acceptance of and payment for any of the Securities.

5. Termination. In the event that the Underwriter terminates the -----
Underwriting Agreement as provided in Section 9 thereof, this Agreement shall simultaneously terminate, except that the provisions of Sections 2 and 3, the indemnity agreements and the contribution provisions set forth in Section 4, and the provisions of Section 6 shall remain in effect.

6. Notices. All notices and other communications hereunder shall be -----
in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to it at North Tower, World Financial Center, New York, New York 10281-1209, attention of Douglas W. Squires, Managing Director; notices to ML&Co. shall be directed to it at 100 Church St., 12th Floor, New York, New York 10007, attention of the Secretary, with a copy to the Treasurer at World Financial Tower, South Tower, New York, New York 10080-6107; notices to the Company shall be directed to it at 1 SunAmerica Center, 1999 Avenue of the Stars, Century City, California 90067-6022, attention of Susan L. Harris, Esq., Senior Vice President and General Counsel -- Corporate Affairs.

7. Parties. This Agreement shall inure to the benefit of and be -----
binding upon each of the Underwriter, ML&Co. and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriter, ML&Co. and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 4 and 5 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriter, ML&Co. and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

8. Expenses. The Company and the Selling Stockholder, jointly and -----
severally, will pay all expenses incident to the performance of their obligations under this Agreement including, without limitation, the expenses of printing all documents relating to the offering and of the mailing and delivering of copies thereof to the Underwriter, any fees charged by investment rating agencies for rating the Securities, and the fees and disbursements of their counsel and advisers.

15

9. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED -----

10. Effect of Headings. The Article and Section headings herein and

the Table of Contents are for convenience only and shall not affect the construction hereof.

11. Counterparts. This Agreement 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 agreement.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriter, ML&Co., Mr. Eli Broad and the Company in accordance with its terms.

Very truly yours,

SUNAMERICA INC.

By _____

Name:

Title:

ELI BROAD

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

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Authorized Signatory

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

MERRILL LYNCH & CO., INC.

TO

CHEMICAL BANK,

as Trustee

NINTH SUPPLEMENTAL INDENTURE

Dated as of June 1, 1996

Creating a series of Securities designated
Structured Yield Product Exchangeable for Stock (SM)
___% STRYPES (SM) Due June __, 1999

Supplemental to Indenture
Dated as of April 1, 1983,
as Amended

TABLE OF CONTENTS

<TABLE>
<CAPTION>

Page

ARTICLE ONE
DEFINITIONS

<S>		<C>
SECTION 101.	Definitions.....	2
	"Applicable Redemption Date".....	2
	"Applicable Redemption Price".....	2
	"Business Day".....	2
	"Closing Price".....	2
	"Company".....	2
	"Current Market Price".....	2
	"Debt Instrument".....	2
	"Distributed Assets".....	2
	"Event of Default".....	2
	"Forward Contract".....	2
	"Indenture".....	2
	"Interest Payment Date".....	3
	"Issue Date".....	3
	"Maturity Consideration".....	3
	"Maturity Date".....	3
	"Maturity Notice Date".....	3
	"Notice of Default".....	3
	"NYSE".....	3
	"Principal Indenture".....	3
	"Redemption Notice Date".....	3
	"Regular Record Date".....	3
	"Reorganization Event".....	3
	"Securities".....	3
	"STRYPES".....	3
	"STRYPES Certificates".....	3
	"SunAmerica".....	3
	"SunAmerica Common Stock".....	3
	"SunAmerica Successor".....	3
	"Supplemental Indenture".....	3
	"Trading Day".....	3
	"Transaction Value".....	4
	"Trustee".....	4
	"Unit".....	4

</TABLE>

<TABLE>
<CAPTION>

ARTICLE TWO
THE STRYPES

<S>	<C>	<C>
SECTION 201.	Description of the STRYPES.....	4
SECTION 202.	Form of STRYPES.....	5

ARTICLE THREE
PAYMENT AND DISCHARGE OF STRYPES

SECTION 301.	Payment and Discharge on the Maturity Date.....	5
SECTION 302.	No Fractional Shares.....	6
SECTION 303.	Common Equivalent Rate; Dilution Adjustments.....	7
SECTION 304.	Notice of Adjustments and Certain Other Events.....	10
SECTION 305.	Shares Free and Clear.....	11
SECTION 306.	Cancellation of STRYPES Certificates.....	12
SECTION 307.	Form of Redemption and Maturity Consideration.....	12

ARTICLE FOUR
OPTIONAL REDEMPTION

SECTION 401.	Optional Redemption.....	12
--------------	--------------------------	----

ARTICLE FIVE
TAXES

SECTION 501.	Documentary, Stamp, Transfer or Similar Taxes.....	13
SECTION 502.	Treatment of STRYPES.....	13

ARTICLE SIX
AMENDMENT OF CERTAIN PROVISIONS
OF THE PRINCIPAL INDENTURE

SECTION 601.	Amendments Relating to the STRYPES.....	14
SECTION 602.	Interpretation of Principal Indenture.....	21

</TABLE>

ii

<TABLE>
<CAPTION>

ARTICLE SEVEN
MISCELLANEOUS

<S>	<C>	<C>
SECTION 701.	Effect of Supplemental Indenture.....	21
SECTION 702.	Conflict with Trust Indenture Act.....	21
SECTION 703.	Successors and Assigns.....	21
SECTION 704.	Separability Clause.....	21
SECTION 705.	Benefits of Supplemental Indenture.....	21
SECTION 706.	Governing Law.....	22
SECTION 707.	Execution in Counterparts.....	22
SECTION 708.	Responsibility for Recitals.....	22

</TABLE>

iii

Ninth Supplemental Indenture, dated as of June 1, 1996 (the "Supplemental Indenture"), by and between Merrill Lynch & Co., Inc., a corporation organized and existing under the laws of the State of Delaware, having its principal office at World Financial Center, New York, New York 10281 (the "Company"), and Chemical Bank, a corporation duly organized and existing under the laws of the State of New York and successor by merger to Manufacturers Hanover Trust Company, having its Corporate Trust Office at 450 West 33rd Street, New York, New York 10001, as trustee (the "Trustee").

WHEREAS, the Company has heretofore executed and delivered its Indenture, dated as of April 1, 1983 and restated as of April 1, 1987 (as amended and supplemented to the date hereof, the "Principal Indenture"), to the Trustee to provide for the issuance from time to time of its unsecured and unsubordinated debentures, notes or other evidences of senior indebtedness (the "Securities"), unlimited as to principal amount; and

WHEREAS, the Principal Indenture, as amended by the Trust Indenture Reform Act of 1990, and this Supplemental Indenture are hereinafter collectively referred to as the "Indenture"; and

WHEREAS, the Company proposes to create and issue a new series of Securities denominated its Structured Yield Product Exchangeable for Stock(SM), ___% STRYPES(SM) Due June 15, 1999 (each such Security being referred to herein

as a "STRYPES"), the terms of which will require the Company to pay and discharge the STRYPES on their maturity date or upon earlier redemption by delivering to the Holders thereof shares of Common Stock, par value \$1.00 per share ("SunAmerica Common Stock"), of SunAmerica Inc., a Maryland corporation ("SunAmerica") (or, in the event there shall occur a Reorganization Event (as defined in Section 303(b) of Article Three), cash, securities and/or other property in lieu thereof) or, at the option of the Company, cash, in any such case as provided herein; and

WHEREAS, Section 901 of the Principal Indenture provides that, without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Principal Indenture, in form satisfactory to the Trustee, (a) to establish the form or terms of Securities of any series as permitted by Section 201 and 301 thereof and (b) to cure any ambiguity, to correct or supplement any provision in the Principal Indenture which may be defective or inconsistent with any other provision of the Principal Indenture, or to make any other provisions with respect to matters or questions arising under the Principal Indenture which shall not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect; and

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture, and all things necessary to make this Supplemental Indenture a valid agreement of the Company, in accordance with its terms, have been done;

(SM) Service mark of Merrill Lynch & Co., Inc.

NOW, THEREFORE, the Company and the Trustee, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby covenant and agree, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE ONE

DEFINITIONS

SECTION 101. Definitions. For all purposes of the Principal Indenture and this Supplemental Indenture relating to the series of Securities (consisting of STRYPES) created hereby, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Article have the meanings assigned to them in this Article. Capitalized terms used in the Principal Indenture and this Supplemental Indenture but not defined herein are used as they are defined in the Principal Indenture.

"Applicable Redemption Date" has the meaning specified in Section 401.

"Applicable Redemption Price" has the meaning specified in Section 401.

"Business Day" means any day that is not a Saturday, a Sunday or a day on which the NYSE, banking institutions or trust companies in The City of New York are authorized or obligated by law or executive order to close.

"Closing Price" has the meaning specified in Section 301.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of the Principal Indenture, and thereafter "Company" shall mean such successor corporation.

"Current Market Price" has the meaning specified in Section 301.

"Debt Instrument" has the meaning specified in Section 502(a).

"Distributed Assets" has the meaning specified in Section 303(a)(iii).

"Event of Default" has the meaning specified in Section 601(b).

"Forward Contract" has the meaning specified in Section 502(a).

"Indenture" has the meaning specified in the second recital of the Company in this instrument.

"Interest Payment Date" has the meaning specified in Section 201.

"Issue Date" means June __, 1996.

"Maturity Consideration" has the meaning specified in Section 301.

"Maturity Date" has the meaning specified in Section 201.

"Maturity Notice Date" has the meaning specified in Section 304(c).

"Notice of Default" has the meaning specified in Section 601(b).

"NYSE" means the New York Stock Exchange.

"Principal Indenture" has the meaning specified in the first recital of the Company in this instrument.

"Redemption Notice Date" has the meaning specified in Section 401.

"Regular Record Date" has the meaning specified in Section 201.

"Reorganization Event" has the meaning specified in Section 303(b).

"Securities" has the meaning specified in the first recital of the Company in this instrument

"STRYPES" has the meaning specified in the third recital of the Company in this instrument.

"STRYPES Certificates" has the meaning specified in Section 202.

"SunAmerica" has the meaning specified in the third recital of the Company in this instrument.

"SunAmerica Common Stock" has the meaning specified in the third recital of the Company in this instrument.

"SunAmerica Successor" has the meaning specified in Section 303(b).

"Supplemental Indenture" has the meaning specified in the first paragraph of this instrument.

"Trading Day" has the meaning specified in Section 301.

3

"Transaction Value" has the meaning specified in Section 303(b).

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee with respect to the STRYPES shall have become such pursuant to the applicable provisions of the Principal Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Unit" has the meaning specified in Section 502(a).

ARTICLE TWO

THE STRYPES

SECTION 201. Description of the STRYPES. The Securities shall be known

and designated as the "Structured Yield Product Exchangeable for Stock, ___% STRYPES Due June 15, 1999" of the Company. The aggregate number of STRYPES which may be authenticated and delivered under this Supplemental Indenture is limited to 3,450,000 with an issue price of \$_____ per STRYPES, or \$_____ in the aggregate, except for STRYPES evidenced by STRYPES Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other STRYPES Certificates evidencing such STRYPES pursuant to Section 304, 305, 306 or 906 of the Principal Indenture.

The STRYPES shall mature on June 15, 1999 (the "Maturity Date"). On the Maturity Date, the STRYPES shall be paid and discharged as provided in Article Three of this Supplemental Indenture.

The STRYPES shall bear interest at the rate of \$_____ per STRYPES per annum (or \$_____ per STRYPES per quarter), from June __, 1996, or from the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for, as the case may be, until the Maturity Date or such earlier date on which such STRYPES is redeemed or the issue price of such STRYPES is repaid in accordance with the provisions of the Indenture. Interest shall be payable in cash quarterly in arrears on _____, _____, _____ and _____, beginning _____, 1996, and on the Maturity Date (each, an "Interest Payment Date"), to the Persons in whose names the STRYPES are registered at the close of business on the last day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date (each, a "Regular Record Date"). Interest on the STRYPES shall be computed on the basis of a 360-day year of twelve 30-day months.

The interest on the STRYPES shall be payable and the Maturity Consideration or Applicable Redemption Price shall be deliverable or payable at the office or agency of the Company in the Borough of Manhattan, The City of New York maintained for such purpose and at any other office or agency maintained by the Company for such purpose; provided, however,

4

that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

At any time or from time to time prior to the Maturity Date, the Company may, at its option, redeem the outstanding STRYPES, in whole or in part, as provided in Article Four of this Supplemental Indenture. The STRYPES are not subject to any sinking fund or other mandatory redemption provisions. The STRYPES shall not be payable at the option of the Holders prior to the Maturity Date.

The STRYPES shall be issuable only in registered form without coupons. The STRYPES will be issued in any whole numbers. No fractional STRYPES or scrip representing fractional STRYPES shall be issued.

SECTION 202. Form of STRYPES. The STRYPES shall be evidenced by

certificates ("STRYPES Certificates") in the form attached hereto as Exhibit A.

ARTICLE THREE

PAYMENT AND DISCHARGE OF STRYPES

SECTION 301. Payment and Discharge on the Maturity Date. On the Maturity

Date, unless previously redeemed pursuant to Section 401 of Article Four, the Company shall pay and discharge each STRYPES by delivering to the Holder thereof a number of shares of SunAmerica Common Stock (or, in the event there shall occur a Reorganization Event, securities and/or other property in lieu thereof) equal to the Common Equivalent Rate (as defined in Section 303 of this Article Three) in effect on the Maturity Date. No fractional shares of SunAmerica Common Stock shall be delivered on the Maturity Date as provided in Section 302 of this Article Three. Notwithstanding the foregoing, the Company may, at its option, in lieu of delivering shares of SunAmerica Common Stock, deliver cash in an amount (calculated to the nearest 1/100th of a dollar per STRYPES or, if there is not a nearest 1/100th of a dollar, then to the next higher 1/100th of a dollar) equal to the value of such number of shares of SunAmerica Common Stock at the Current Market Price determined as of the second Trading Day (as defined below) prior to the Maturity Notice Date pursuant to Section 304(c). Such option, if exercised by the Company, must be exercised with respect to all shares of SunAmerica Common Stock otherwise deliverable on the Maturity Date upon payment and discharge of all Outstanding STRYPES. In determining the amount of cash deliverable upon payment and discharge of the STRYPES in lieu of shares of SunAmerica Common Stock pursuant to the second preceding sentence, if more than one STRYPES shall be held at one time by the same Holder, the amount of cash which shall be delivered to such Holder upon payment and discharge shall be computed on the basis of the aggregate number of STRYPES so held on the Maturity Date. If the Company elects to deliver shares of SunAmerica Common Stock, Holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of such stock. Such number of shares of SunAmerica Common Stock (or, in the event there shall occur a

5

Reorganization Event, cash, securities and/or other property in lieu thereof) or, at the Company's option, the amount of cash, in either case deliverable upon payment and discharge of the STRYPES on the Maturity Date is hereinafter referred to as the "Maturity Consideration."

As used in this Section 301 and in Section 303 and in Article Four, the Current Market Price per share of SunAmerica Common Stock on any date of determination shall be the average of the daily Closing Prices for the five consecutive Trading Days ending on and including the date of determination of the Current Market Price (appropriately adjusted to take into account the occurrence during such five-day period of any event that results in an adjustment of the Common Equivalent Rate); provided, however, that if the Closing Price for the Trading Day next following such five-day period (the "Next-Day Closing Price") is less than 95% of such five-day average, then the Current Market Price per share of SunAmerica Common Stock on such date of determination shall be the Next-Day Closing Price; and provided, further, that, for the purposes of calculating the Current Market Price in connection with the Maturity Date or any Applicable Redemption Date of STRYPES or any determination of an amount in cash payable in lieu of a fraction of a share of SunAmerica Common Stock or in connection with a determination date under Section 303(a) (ii) or Section 303(a) (iii), if any adjustment of the Common Equivalent Rate becomes

effective as of any date during the period beginning on the first day of such five-day period and ending on the Maturity Date or the Applicable Redemption Date, or applicable determination date under Section 303(a)(ii) or Section 303(a)(iii), then the Current Market Price as determined pursuant to the foregoing will be appropriately adjusted to reflect such adjustment. For purposes of this Section 301 and Section 401, a "Trading Day" is a day on which the security, the Closing Price of which is being determined, (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security; provided that, if the Closing Price of such security is to be determined by a NYSE member firm, then the term Trading Day shall mean, for purposes of determining such Closing Price, a day on which the NYSE is open for trading. The "Closing Price" of any security on any day shall mean the closing sales price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, in each case on the NYSE, or, if such security is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similarly generally accepted reporting service, or if not so available in such manner, as furnished by any NYSE member firm selected from time to time by the Board of Directors of the Company for that purpose.

SECTION 302. No Fractional Shares. No fractional shares or scrip

representing fractional shares of SunAmerica Common Stock shall be delivered if the Company pays and discharges the STRYPES by delivering shares of SunAmerica Common Stock on the Maturity Date or any Applicable Redemption Date. If more than one STRYPES shall be held at one time

6

by the same Holder, the number of full shares of SunAmerica Common Stock which shall be delivered in payment of such Holder's STRYPES shall be computed on the basis of the aggregate number of STRYPES so held on the Maturity Date or the Applicable Redemption Date. In lieu of any fractional share of SunAmerica Common Stock which would otherwise be deliverable upon payment and discharge of any STRYPES on the Maturity Date or any Applicable Redemption Date, the Company, through any applicable Paying Agent, shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional share at the Current Market Price of the SunAmerica Common Stock determined as of the second Trading Day immediately preceding the relevant Maturity Notice Date or Redemption Notice Date.

SECTION 303. Common Equivalent Rate; Dilution Adjustments.

(a) The Common Equivalent Rate shall be initially one share of SunAmerica Common Stock for each STRYPES; provided, however, that such Common Equivalent Rate shall be subject to adjustment from time to time as provided below. Such rate in effect at any time is herein called the "Common Equivalent Rate."

(i) If SunAmerica shall:

(A) pay a stock dividend or make a distribution with respect to SunAmerica Common Stock in shares of such stock;

(B) subdivide or split the outstanding shares of SunAmerica Common Stock into a greater number of shares;

(C) combine the outstanding shares of SunAmerica Common Stock into a smaller number of shares; or

(D) issue by reclassification of shares of SunAmerica Common Stock any shares of common stock of SunAmerica;

then, in any such event, the Common Equivalent Rate shall be adjusted by multiplying the Common Equivalent Rate in effect immediately prior to such event by a fraction, the numerator of which shall be the number of shares of SunAmerica Common Stock outstanding immediately following such event, and the denominator of which shall be the number of shares of SunAmerica Common Stock outstanding immediately prior to such event. Each such adjustment shall become effective at the opening of business on the Business Day next following the record date for determination of holders of SunAmerica Common Stock entitled to receive such dividend or distribution in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, split, combination or reclassification. Each such adjustment shall be made successively.

7

(ii) If SunAmerica shall, after the date hereof, issue rights or warrants to all holders of SunAmerica Common Stock entitling them (for a period not exceeding 45 days from the date of such issuance) to subscribe for or purchase shares of SunAmerica Common Stock at a price per share less than the then Current Market Price of the SunAmerica Common Stock determined as of the second Trading Day preceding the date of such issuance, then in each case the Common Equivalent Rate shall be adjusted by multiplying the Common Equivalent Rate in effect immediately prior to the date of issuance of such rights or warrants by a fraction, the numerator of which shall be the number of shares of SunAmerica Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus the number of additional shares of SunAmerica Common Stock offered for subscription or purchase pursuant to such rights or warrants, and the denominator of which shall be the number of shares of SunAmerica Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus the number of additional shares of SunAmerica Common Stock which the aggregate offering price of the total number of shares of SunAmerica Common Stock so offered for subscription or purchase pursuant to such rights or warrants would purchase at such Current Market Price, which shall be determined by multiplying such total number of shares by the exercise price of such rights or warrants and dividing the product so obtained by such Current Market Price. Such adjustment shall become effective at the opening of business on the Business Day next following the record date for the determination of stockholders entitled to receive such rights or warrants. To the extent that shares of SunAmerica Common Stock are not delivered after the expiration of such rights or warrants, or if such rights or warrants are not issued, the Common Equivalent Rate shall be readjusted to the Common Equivalent Rate which would then be in effect had such adjustments for the issuance of such rights or warrants been made upon the basis of delivery of only the number of shares of SunAmerica Common Stock actually delivered. Each such adjustment shall be made successively.

(iii) If SunAmerica shall pay a dividend or make a distribution to all holders of SunAmerica Common Stock of evidences of its indebtedness or other assets (including shares of capital stock of SunAmerica but excluding any cash dividends and any stock dividends or distributions referred to in subparagraph (i) (A) above or shall issue to all holders of SunAmerica Common Stock rights or warrants to subscribe for or purchase any of its securities (other than those referred to in subparagraph (ii) above) (any of the foregoing being hereinafter referred to in this subparagraph (iii) as the "Distributed Assets"), then in each such case, the Common Equivalent Rate shall be adjusted by multiplying the Common Equivalent Rate in effect on the record date referred to below by a fraction, the numerator of which shall be the Current Market Price per share of the SunAmerica Common Stock determined as of the second Trading Day preceding the record date for the determination of stockholders entitled to receive such dividend or distribution or such rights or warrants, and the denominator of which shall be such Current Market Price per share of SunAmerica Common Stock less the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive as of such record date) of the portion of the Distributed Assets so distributed applicable to one share of SunAmerica Common Stock. Each such adjustment shall become effective on the opening of business on the Business Day next following the record date for the determination of

8

stockholders entitled to receive such dividend or distribution or such rights or warrants. To the extent that such dividend or distribution is not so paid or made, the Common Equivalent Rate shall be readjusted to the Common Equivalent Rate which would then be in effect if such dividend or distribution had not occurred. Each such adjustment shall be made successively.

(iv) Any shares of SunAmerica Common Stock issuable in payment of a dividend or distribution shall be deemed to have been issued immediately prior to the close of business on the record date for such dividend or distribution for purposes of calculating the number of outstanding shares of SunAmerica Common Stock under subparagraphs (ii) and (iii) above.

(v) All adjustments to the Common Equivalent Rate shall be calculated to the nearest 1/100th of a share of SunAmerica Common Stock (or if there is not a nearest 1/100th of a share to the next lower 1/100th of a share). No adjustment in the Common Equivalent Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of this subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(b) Adjustment for Consolidation, Merger or Other Reorganization Event. In -----
the event of (i) any consolidation or merger of SunAmerica, or any surviving entity or subsequent surviving entity of SunAmerica (a "SunAmerica Successor"), with or into another entity (other than a merger or consolidation in which SunAmerica is the continuing corporation and in which the SunAmerica Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of SunAmerica or another corporation), (ii) any sale, transfer, lease or conveyance to another

corporation of the property of SunAmerica or any SunAmerica Successor as an entirety or substantially as an entirety, (iii) any statutory exchange of securities of SunAmerica or any SunAmerica Successor with another corporation (other than in connection with a merger or acquisition) or (iv) any liquidation, dissolution, winding up or bankruptcy of SunAmerica or any SunAmerica Successor (any such event described in clause (i), (ii), (iii) or (iv), a "Reorganization Event"), the Common Equivalent Rate will be adjusted to provide that each Holder of STRYPES will receive for each STRYPES on the Maturity Date or any Applicable Redemption Date cash in an amount equal to the Transaction Value. "Transaction Value" means (x) for any cash received in any such Reorganization Event, the amount of cash received per share of SunAmerica Common Stock, (y) for any property other than cash or securities received in any such Reorganization Event, an amount equal to the market value on the Maturity Date or any Applicable Redemption Date of such property received per share of SunAmerica Common Stock as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company and (z) for any securities received in any such Reorganization Event, an amount equal to the average Closing Price per unit of such securities on the five Trading Days immediately prior to the second Trading Day preceding the Maturity Date or any Applicable Redemption Date, multiplied by the number of such securities received for each share of SunAmerica Common Stock. Notwithstanding the foregoing, in the event that property or securities, or a combination of cash,

9

on the one hand, and property or securities, on the other, are received in such Reorganization Event, the Company may, at its option, in lieu of delivering cash as described above, deliver the amount of cash, securities and other property received per share of SunAmerica Common Stock in such Reorganization Event determined in accordance with clause (x), (y) or (z) above, as applicable. If the Company elects to deliver securities or other property, Holders of the STRYPES will be responsible for the payment of any and all brokerage and transaction costs upon any subsequent sale of such securities or other property. The kind and amount of securities with which the STRYPES shall be paid and discharged after consummation of such transaction shall be subject to adjustment as described in paragraph (a) above following the date of consummation of such transaction.

SECTION 304. Notice of Adjustments and Certain Other Events.

(a) Whenever the Common Equivalent Rate requires adjustment as herein provided, the Company shall:

(i) forthwith compute the adjusted Common Equivalent Rate in accordance with Section 303 of this Article Three and prepare a certificate signed by an officer of the Company setting forth the adjusted Common Equivalent Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based, which certificate shall be conclusive, final and binding evidence of the correctness of the adjustment, and file such certificate forthwith with the Trustee; and

(ii) within 10 Business Days following the occurrence of an event that requires an adjustment to the Common Equivalent Rate pursuant to Section 303 of this Article Three (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), provide written notice to the Trustee and to the Holders of the STRYPES of the occurrence of such event and a statement in reasonable detail setting forth the adjusted Common Equivalent Rate and the method by which the adjustment to the Common Equivalent Rate was determined.

(b) In case at any time while any of the STRYPES are outstanding the Company receives notice that:

(i) SunAmerica shall declare a dividend (or any other distribution) on or in respect of the SunAmerica Common Stock to which Section 303(a) (i) or (iii) shall apply;

(ii) SunAmerica shall authorize the issuance to all holders of SunAmerica Common Stock of rights or warrants to subscribe for or purchase shares of SunAmerica Common Stock or of any other subscription rights or warrants;

(iii) there shall occur any conversion or reclassification of SunAmerica Common Stock (other than a subdivision or combination of outstanding shares of such SunAmerica Common Stock) or any consolidation, merger or reorganization to which

10

SunAmerica is a party and for which approval of any stockholders of SunAmerica is required, or the sale or transfer of all or substantially all of the assets of SunAmerica; or

(iv) there shall occur the voluntary or involuntary dissolution,

liquidation, winding up or bankruptcy of SunAmerica;

then the Company shall promptly cause to be delivered to the Trustee and any applicable Paying Agent and filed at the office or agency maintained for the purpose of payment and discharge of STRYPES on the Maturity Date in the Borough of Manhattan, The City of New York by the Trustee (or any applicable Paying Agent), and shall promptly cause to be mailed to the Holders of STRYPES at their last addresses as they shall appear in the Security Register, at least 10 days before the date hereinafter specified (or the earlier of the dates hereinafter specified, in the event that more than one is specified), a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or grant of rights or warrants, or, if a record is not to be taken, the date as of which the holders of SunAmerica Common Stock of record to be entitled to such dividend, distribution or grant of rights or warrants are to be determined, or (y) the date, if known by the Company, on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation, winding up or bankruptcy is expected to become effective.

(c) The Company shall mail a notice, at least 30 but not more than 60 days prior to the Maturity Date, to each Holder of STRYPES at its registered address, which notice shall state whether the STRYPES will be paid and discharged with shares of SunAmerica Common Stock or in cash (or any other property or securities that may be delivered pursuant to Section 303(b)) on the Maturity Date in accordance with Section 301 and, if payable in cash, specifying the amount of cash payable for each STRYPES and the Current Market Price used to calculate such amount. The date of the commencement of the mailing of such notice is called the "Maturity Notice Date".

SECTION 305. Shares Free and Clear. The Company hereby warrants that upon

payment and discharge of a STRYPES on the Maturity Date or any Applicable Redemption Date pursuant to this Supplemental Indenture, the Holder of a STRYPES shall receive all rights held by the Company in the Maturity Consideration or Applicable Redemption Price with which such STRYPES is at such time payable and dischargeable pursuant to this Supplemental Indenture, free and clear of any and all liens, claims, charges and encumbrances, other than any liens, claims, charges and encumbrances which may have been placed on any Maturity Consideration or Applicable Redemption Price by the prior owner thereof prior to the time such Maturity Consideration or Applicable Redemption Price was acquired by the Company. Except as provided in Section 501 of Article Five, the Company will pay all taxes and charges with respect to the delivery of the Maturity Consideration or Applicable Redemption Price delivered upon payment and discharge of STRYPES hereunder. In addition, the Company further warrants that any Maturity Consideration or Applicable Redemption Price so delivered upon payment and discharge of STRYPES hereunder shall be free of any transfer restrictions (other than such as are solely attributable to any Holder's status as an affiliate of SunAmerica).

11

SECTION 306. Cancellation of STRYPES Certificates. Upon receipt by the

Trustee of a STRYPES Certificate delivered to it for payment and discharge of the STRYPES evidenced thereby under this Article Three, the Trustee shall cancel and dispose of the same as provided in Section 309 of the Principal Indenture.

SECTION 307. Form of Redemption and Maturity Consideration. The Company

agrees to deliver on the Maturity Date and on any Applicable Redemption Date the form of consideration that Merrill Lynch Capital Services, Inc. receives on the Maturity Date or any Applicable Redemption Date pursuant to the Stock Agreement dated as of June __, 1996, among the Company, Merrill Lynch Capital Services, Inc. and Mr. Eli Broad. The Company further agrees to redeem the STRYPES if, as and when Mr. Broad redeems his obligations under such Stock Agreement.

ARTICLE FOUR

OPTIONAL REDEMPTION

SECTION 401. Optional Redemption. At any time or from time to time prior

to the Maturity Date, the Company may, at its option, redeem the outstanding STRYPES, in whole or in part, at a redemption price per STRYPES initially equal to \$_____, declining by \$_____ on each day following the Issue Date to \$_____ on _____, 1999, and equal to \$_____ thereafter (each such redemption price, an "Applicable Redemption Price"), payable in either (i) the number of shares of SunAmerica Common Stock (or, in the event there shall occur a Reorganization Event, securities and/or other property in lieu thereof) equal to the Applicable Redemption Price on the applicable date fixed for redemption (the "Applicable Redemption Date") divided by the Current Market Price of the Sun America Stock determined as of the second Trading Day preceding the applicable Redemption Notice Date or (ii) at the Company's option (which may be exercised with respect to all, but not less than all, of the STRYPES to be redeemed on any Applicable Redemption Date) cash, plus

in either case an amount in cash equal to accrued and unpaid interest on the STRYPES to but excluding the Applicable Redemption Date; provided that installments of interest which are due and payable on or prior to the Applicable Redemption Date shall be payable to the holders of STRYPES registered as such at the close of business on the relevant Regular Record Dates. If the Company elects to deliver shares of SunAmerica Common Stock, Holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of such stock. Notice of redemption shall be given within the time period and manner specified in Section 1104 of the Principal Indenture; provided, however, that such notice shall additionally specify whether the Company will pay the Applicable Redemption Price by delivery of SunAmerica Common Stock or in cash and, if payable in Sun America Common Stock, shall also specify the number of shares of SunAmerica Common Stock to be delivered for each STRYPES and the Current Market Price used to calculate such number of shares. In the event that less than all of the STRYPES are to be redeemed on any Applicable Redemption Date, selection by the Trustee of the STRYPES for redemption shall be in accordance with Section

12

1103 of the Principal Indenture (subject to compliance with the requirements of any principal national securities exchange on which the STRYPES may be listed); provided, however, that STRYPES shall not be subject to redemption except in units of one or more whole STRYPES. For purposes of this Section 401, a "Redemption Notice Date" shall mean the commencement of mailing of the notice of redemption to holders of STRYPES in accordance with Section 1104 of the Principal Indenture.

ARTICLE FIVE

TAXES

SECTION 501. Documentary, Stamp, Transfer or Similar Taxes. The Company

will pay any and all documentary, stamp, transfer or similar taxes that may be payable in respect of the transfer and delivery of SunAmerica Common Stock (or, in the event that there shall occur a Reorganization Event, securities and/or other property in lieu thereof) pursuant hereto; provided, however, that the Company shall not be required to pay any such tax which may be payable in respect of any transfer involved in the delivery of SunAmerica Common Stock (or, in the event that there shall occur a Reorganization Event, securities and/or other property in lieu thereof) in a name other than that in which the STRYPES so paid and discharged were registered, and no such transfer or delivery shall be made unless and until the Person requesting such transfer has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

SECTION 502. Treatment of STRYPES. The parties hereto hereby agree, and

each Holder of a STRYPES by its purchase of a STRYPES hereby agrees:

- (a) to treat, for all United States Federal, state and local tax purposes, each STRYPES as a unit (a "Unit") consisting of (A) a debt instrument (the "Debt Instrument") with a fixed principal amount unconditionally payable on the Maturity Date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and (B) a forward purchase contract (the "Forward Contract") pursuant to which the Holder is irrevocably committed to use the principal payment due on the Debt Instrument (or, in the event of a redemption, the Applicable Redemption Price) to purchase on the Maturity Date or upon redemption the SunAmerica Common Stock which the Company is obligated to deliver at that time (subject to the Company's right to deliver cash in lieu of the SunAmerica Common Stock), which treatment will require, among other things, each Holder that is subject to United States Federal income tax in connection with its ownership of the STRYPES to include currently in income payments denominated as interest that are made with respect to the STRYPES in accordance with such Holder's regular method of tax accounting;
- (b) in the case of purchases of STRYPES in connection with the original issuance thereof, (A) to allocate \$_____ of the entire initial purchase price of a STRYPES (i.e., the issue price of a STRYPES) to the Debt Instrument component and to allocate the remaining \$_____ of the entire initial purchase price of a STRYPES to the Forward Contract component and (B) to treat such acquisition of the STRYPES by the Holder as a purchase of the Debt Instrument by the Holder for \$_____ and the making of an initial payment by the Holder with respect to the Forward Contract of \$_____;
- (c) in the case of purchases and sales of STRYPES subsequent to the original issuance thereof, the purchase price paid (or received) by a Holder will be allocated by the Holder between the Debt Instrument and the Forward Contract based upon their relative fair market values (as determined on the date of acquisition or disposition);

- (d) to file all United States Federal, state and local income, franchise and estate tax returns consistent with the treatment of each STRYPES as a Unit consisting of the Debt Instrument and the Forward Contract (in the absence of any change or clarification in applicable law, by regulation or otherwise, requiring a different characterization or treatment of the STRYPES).

ARTICLE SIX

AMENDMENT OF CERTAIN PROVISIONS
OF THE PRINCIPAL INDENTURE

SECTION 601. Amendments Relating to the STRYPES. The Principal Indenture

is hereby amended, solely with respect to the STRYPES, as follows:

(a) By deleting Section 308 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 308. Persons Deemed Owners. Prior to due presentment of a STRYPES Certificate for registration of transfer of STRYPES evidenced thereby, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such STRYPES Certificate is registered as the owner of the STRYPES evidenced thereby for the purpose of receiving delivery or payment of the Maturity Consideration or the Applicable Redemption Price in respect of, and (subject to Sections 305 and 307) interest on, such STRYPES and for all other purposes whatsoever, whether or not such STRYPES be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary."

14

(b) By deleting Section 501 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 501. Events of Default. "Event of Default", wherever used herein with respect to STRYPES, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) failure to deliver or pay the Maturity Consideration on the Maturity Date, or to pay the Applicable Redemption Price on the Applicable Redemption Date; or

(2) failure to pay any interest on any STRYPES when due, and continuance of such failure for a period of 30 days; or

(3) failure to perform any other covenant of the Company in this Indenture (other than a covenant a failure in whose performance is elsewhere in this Section specifically dealt with), and the continuance of such failure for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 10% of the aggregate issue price of the Outstanding STRYPES a written notice specifying such failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(5) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Company or for any substantial part of its property, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing."

(c) By deleting Section 502 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 502. Acceleration of Maturity; Rescission and Annulment. If an

is continuing, then and in every such case the Trustee or the Holders of not less than 25% of the aggregate issue price of the Outstanding STRYPES may declare an amount equal to the issue price of all the STRYPES to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders), and upon any such declaration such amount shall become immediately due and payable in cash. If an Event of Default specified in Section 501(4) or 501(5) occurs, an amount equal to the issue price of all the STRYPES shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable in cash.

At any time after such a declaration of acceleration has been made or an Event of Default specified in Section 501(4) or 501(5) has occurred, and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided, the Holders of a majority of the aggregate issue price of the Outstanding STRYPES, by written notice to the Company and the Trustee, may rescind and annul such declaration or Event of Default and its consequences if

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all STRYPES,

(B) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate borne by the STRYPES, and

(C) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

and

(2) all Events of Default with respect to the STRYPES, other than the non-payment of the amount equal to the issue price of all the STRYPES due solely by reason of such declaration of acceleration or Event of Default specified in Section 501(4) or 501(5), have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon."

(d) By deleting the first paragraph of Section 503 of the Principal Indenture in its entirety and inserting in its stead the following:

"The Company covenants that, if default is made in the payment of any installment of interest on any STRYPES (other than interest due on the Maturity Date)

when such interest becomes due and payable and such default continues for a period of 30 days, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such STRYPES, an amount equal to the issue price of all the STRYPES, the whole amount of interest then due and payable on such STRYPES and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue interest, at the rate borne by the STRYPES, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

The Company further covenants that, if the Maturity Consideration or any interest due on the Maturity Date is not delivered or paid in respect of any STRYPES on the Maturity Date or if the Applicable Redemption Price is not delivered or paid in respect of any STRYPES on the Applicable Redemption Date, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such STRYPES, the Maturity Consideration or the Applicable Redemption Price, as the case may be, then due and payable on such STRYPES, the whole amount of interest then due and payable on such STRYPES and, to the extent that payment of such interest shall be legally enforceable, interest on any Maturity Consideration or Applicable Redemption Price, as the case may be, that is overdue and on any overdue interest, at the rate borne by the STRYPES, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel."

(e) By deleting Section 506 of the Principal Indenture in its entirety and

inserting in its stead the following:

"SECTION 506. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of the Maturity Consideration, the Applicable Redemption Price or interest, upon presentation of the relevant STRYPES Certificate and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of any amounts then due and unpaid on the STRYPES in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such STRYPES; and

THIRD: The balance, if any, to the Person or Persons entitled thereto."

17

(f) By deleting Section 508 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 508. Unconditional Right of Holders to Receive the Maturity Consideration and Interest. Notwithstanding any other provision in this Indenture, the Holder of any STRYPES shall have the right, which is absolute and unconditional, to receive (subject to Section 502) payment of the Maturity Consideration or the Applicable Redemption Price in respect of and (subject to Sections 305 and 307) interest on such STRYPES and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder."

(g) By deleting the first sentence of Section 513 of the Principal Indenture in its entirety and inserting in its stead the following:

"The Holders of not less than a majority of the aggregate issue price of the Outstanding STRYPES may on behalf of the Holders of all STRYPES waive any past default hereunder and its consequences, except a default

(1) in the delivery or payment of the Maturity Consideration or the Applicable Redemption Price or in the payment of interest on any STRYPES, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding STRYPES affected."

(h) By deleting Section 801 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 801. Consolidations and Mergers of the Company and Sales, Leases and Conveyances Permitted Subject to Certain Conditions. The Company may consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge with or into any other corporation, provided that in any such case, (i) either the Company shall be the continuing corporation, or the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a State thereof and such successor corporation shall expressly assume the due and punctual delivery or payment of the Maturity Consideration or the Applicable Redemption Price in respect of and interest on all the STRYPES, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such corporation, and (ii) the Company or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale, lease or conveyance, be in default in the performance of any such covenant or condition."

18

(i) By deleting the first sentence of Section 902 of the Principal Indenture in its entirety and inserting in its stead the following:

"With the consent of the Holders of not less than 66-2/3% of the aggregate issue price of the Outstanding STRYPES, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of STRYPES under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding STRYPES affected

thereby,

(1) change the Maturity Date or the Stated Maturity of any installment of interest on any STRYPES, or reduce the amount of Maturity Consideration deliverable or payable on the Maturity Date or reduce the amount of interest payable on any STRYPES or reduce the amount of cash payable with respect to any STRYPES upon acceleration of the Maturity, or change the provisions with respect to redemption of any STRYPES, or change any Place of Payment where, or the coin or currency in which, any interest on or any amount of cash payable with respect to any STRYPES is payable, or impair the right to institute suit for the enforcement of (i) any payment on or with respect to any STRYPES or (ii) the delivery or payment of the Maturity Consideration or the Applicable Redemption Price with respect to any STRYPES, or

(2) reduce the percentage of the aggregate issue price of Outstanding STRYPES, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or reduce the requirements of Section 1404 for quorum or voting, or

(3) modify any of the provisions of this Section, or Section 513, or Section 1007, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding STRYPES affected thereby.

(j) By deleting Section 1001 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 1001. Delivery and Payment of the Maturity Consideration or the Applicable Redemption Price and Interest. The Company covenants and agrees for the benefit of the Holders of the STRYPES that it will duly and punctually deliver or pay the Maturity Consideration or the Applicable Redemption Price in respect of, and interest on, the STRYPES in accordance with the terms of the STRYPES and this Indenture."

19

(k) By deleting Section 1003 of the Principal Indenture in its entirety and inserting in its stead the following:

"SECTION 1003. Money for Security Payments to Be Held in Trust. If the Company shall at any time act as its own Paying Agent, it will, on or before each due date of the Maturity Consideration or the Applicable Redemption Price in respect of, or interest on, any of the STRYPES, segregate and hold in trust for the benefit of the Persons entitled thereto consideration in an amount sufficient to deliver or pay the Maturity Consideration or the Applicable Redemption Price or a sum sufficient to pay the interest so becoming due until such consideration shall be delivered or paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to each due date of the Maturity Consideration or the Applicable Redemption Price in respect of, or interest on, any STRYPES, deposit with a Paying Agent consideration in an amount sufficient to deliver or pay the Maturity Consideration or the Applicable Redemption Price or a sum sufficient to pay the interest so becoming due, such consideration to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the STRYPES) in the making of any payment in respect of the STRYPES, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent as such.

The Company may at any time, for any purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any consideration deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the interest on or delivery upon discharge of any STRYPES and remaining unclaimed for two

years after such consideration has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such STRYPES shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust

20

consideration, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper in each Place of Payment or to be mailed to Holders of the STRYPES, or both, notice that such consideration remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication or mailing, any unclaimed balance of such consideration then remaining will be repaid to the Company."

SECTION 602. Interpretation of Principal Indenture. Except as otherwise

specifically provided in this Supplemental Indenture, whenever in the Principal Indenture there is mentioned, in any context, the principal of or principal amount of any Security of any series or a percentage in principal amount of the Outstanding Securities of any series, such mention shall be deemed to be, solely with respect to the STRYPES, the issue price of the STRYPES or a percentage of the aggregate issue price of the Outstanding STRYPES.

ARTICLE SEVEN

MISCELLANEOUS

SECTION 701. Effect of Supplemental Indenture. The Principal Indenture,

as supplemented and amended by this Supplemental Indenture and all other indentures supplemental thereto, is in all respects ratified and confirmed, and the Principal Indenture, this Supplemental Indenture and all indentures supplemental thereto shall be read, taken and construed as one and the same instrument.

SECTION 702. Conflict with Trust Indenture Act. If any provision hereof

limits, qualifies or conflicts with another provision hereof which is required to be included in this Supplemental Indenture by any of the provisions of the Trust Indenture Act, such required provision shall control.

SECTION 703. Successors and Assigns. All covenants and agreements in this

Supplemental Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 704. Separability Clause. In case any provision in this

Supplemental Indenture or in the STRYPES shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions (or of the other series of Securities) shall not in any way be affected or impaired thereby.

SECTION 705. Benefits of Supplemental Indenture. Nothing in this

Supplemental Indenture, express or implied, shall give to any Person, other than the parties hereto and their

21

successors hereunder and the Holders of the STRYPES, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture.

SECTION 706. Governing Law. THIS SUPPLEMENTAL INDENTURE AND EACH STRYPES

SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND THIS SUPPLEMENTAL INDENTURE AND EACH SUCH STRYPES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 707. Execution in Counterparts. This Supplemental 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 708. Responsibility for Recitals. The recitals contained herein

shall be taken as statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of the Principal Indenture or this Supplemental

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Merrill Lynch & Co., Inc.

By: _____
Name:
Title:

Chemical Bank, as Trustee

By: _____
Name:
Title:

EXHIBIT A

[Form of Face of STRYPES Certificate]

[THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO A NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.]

No. _____ STRYPES

CUSIP NO. 590188 76 9

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock(SM)
___% STRYPES(SM) Due June __, 1999

(Payable with Shares of Common Stock,
par value \$1.00 per share, of SunAmerica Inc.)

Issue Price Per STRYPES: \$ _____

Merrill Lynch & Co., Inc., a Delaware corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay and discharge each STRYPES evidenced hereby on _____, 1999 (the "Maturity Date") (subject to the Company's right to redeem the STRYPES evidenced hereby, as described on the reverse hereof) by delivering to

A-1

_____, or registered assigns, a number of shares of common stock, par value \$1.00 per share ("SunAmerica Common Stock"), of SunAmerica Inc. ("SunAmerica") equal to the Common Equivalent Rate (as defined in the Indenture) in effect on the Maturity Date (or, in the event there shall occur a Reorganization Event, cash, securities and/or other property in lieu thereof), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such STRYPES from _____, 1996, or from the most recent Interest Payment Date to which interest has been paid or provided for, on _____, _____, _____ and _____ in each year, beginning

_____, 1996, and on the Maturity Date, at the rate of \$_____ per STRYPES per annum (or \$_____ per STRYPES per quarter), until the Maturity Date or such earlier date on which such STRYPES is redeemed or the issue price of such STRYPES is repaid in accordance with the provisions described below. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in said Indenture, be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on the last day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date (each a "Regular Record Date"). In any case where such Interest Payment Date shall not be a Business Day, then (notwithstanding any other provision of said Indenture or this STRYPES Certificate) payment of such interest need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and, if such payment is so made, no interest shall accrue for the period from and after such date, and, if such payment is so made, no interest shall accrue for the period from and after such date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date, and may be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on a Special Record Date for the payment of such interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to Holders of STRYPES not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the STRYPES may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Notwithstanding the foregoing, the Company may, at its option in lieu of delivering shares of SunAmerica Common Stock, deliver cash in an amount equal to the value of such number of shares of SunAmerica Common Stock at the Current Market Price determined as of the second Trading Day prior to the Maturity Notice Date. Such number of shares of SunAmerica Common Stock (or amount of cash or, in the event there shall occur a Reorganization Event as provided in the Indenture, cash, securities and/or other property in lieu thereof) deliverable upon payment and discharge hereof on the Maturity Date is hereinafter referred to as the "Maturity Consideration." The Current Market Price per share of SunAmerica Common Stock on any date of determination shall be the average of the daily Closing Prices for the five consecutive Trading Days ending on and including the date of determination of the Current Market Price (appropriately adjusted to take into account the occurrence during such five-day period of any event that results in an adjustment of the Common Equivalent Rate);

A-2

provided, however, that if the Closing Price for the Trading Day next following such five-day period (the "Next-Day Closing Price") is less than 95% of such five-day average, then the Current Market Price per share of SunAmerica Common Stock on such date of determination shall be the Next-Day Closing Price; and provided, further, that, for the purposes of calculating the Current Market Price in connection with the Maturity Date or any Applicable Redemption Date of STRYPES or any determination of an amount in cash payable in lieu of a fraction of a share of SunAmerica Common Stock or in connection with certain anti-dilution adjustments as provided in the Indenture, if any adjustment of the Common Equivalent Rate becomes effective as of any date during the period beginning on the first day of such five-day period and ending on the Maturity Date or Applicable Redemption Date or applicable date of determination under the Indenture, then the Current Market Price as determined pursuant to the foregoing will be appropriately adjusted to reflect such adjustment. A "Trading Day" is a day on which the security, the Closing Price of which is being determined, (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security; provided that, if the Closing Price of such security is to be determined by a NYSE member firm, then the term Trading Day shall mean, for purposes of determining such Closing Price, a day on which the NYSE is open for trading. The "Closing Price" of any security on any day shall mean the closing sales price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, the average of the reported closing bid and asked prices regular way on such date, in each case on the NYSE, or, if such security is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similarly generally accepted reporting service, or if not so available in such manner, as furnished by any NYSE member firm selected from time to time by the Board of Directors of the Company for that purpose.

Interest on the STRYPES evidenced hereby will be payable, and delivery of the Maturity Consideration or Applicable Redemption Price in payment of the STRYPES evidenced hereby on the Maturity Date or Applicable Redemption Date will

be made, upon surrender of this STRYPES Certificate, at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and payment of interest on the STRYPES evidenced by this STRYPES Certificate (and, if the Company elects to deliver cash in lieu of SunAmerica Common Stock on the Maturity Date or Applicable Redemption Date, the amount of cash payable on the Maturity Date or Applicable Redemption Date) will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register.

A-3

ADDITIONAL PROVISIONS OF THIS STRYPES CERTIFICATE ARE CONTAINED ON THE REVERSE HEREOF AND SUCH PROVISIONS SHALL HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this STRYPES Certificate shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose. "Structured Yield Product Exchangeable for Stock" and "STRYPES" are service marks of Merrill Lynch & Co., Inc.

IN WITNESS WHEREOF, Merrill Lynch & Co., Inc. has caused this instrument to be duly executed under its corporate seal.

Dated:

Merrill Lynch & Co., Inc.

By:

Name: Theresa Lang
Title: Treasurer

Attest:

Name: Gregory T. Russo
Title: Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This certificate evidences Securities of the series designated herein and referred to in the within-mentioned Indenture.

Chemical Bank, as Trustee

By:

Authorized Officer

A-4

[Form of Reverse of STRYPES Certificate]

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock
_____% STRYPES Due _____, 1999

(Payable with Shares of Common Stock, par value \$1.00 per share,
of SunAmerica Inc.)

This STRYPES Certificate evidences part of a duly authorized issue of unsecured and unsubordinated debentures, notes or other evidences of senior indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, all such Securities issued and to be issued under an indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of June 1, 1996, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as Trustee (the indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended, restated and supplemented from time to time, the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitation of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may be denominated in currencies other than U.S. Dollars (including composite

currencies), may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase and analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This STRYPES Certificate evidences Securities of the series designated as Structured Yield Product Exchangeable for Stock, ___% STRYPES Due June, 1999 (each, a "STRYPES").

The STRYPES will be redeemable at the option of the Company, in whole or in part, at any time or from time to time prior to the Maturity Date at a redemption price per STRYPES initially equal to \$_____, declining by \$_____ on each day following the Issue Date to \$_____ on April, 1999, and equal to \$_____ thereafter (each such redemption price, an "Applicable Redemption Price"), payable in either (a) the number of shares of SunAmerica Common Stock equal to the Applicable Redemption Price on the applicable date fixed for redemption (the "Applicable Redemption Date") divided by the Current Market Price of the SunAmerica Stock determined as of the second Trading Day preceding the applicable Redemption Notice Date or (ii) at the Company's option (which may be exercised with respect to all, but not less than all, of the STRYPES to be redeemed on any Applicable Redemption Date) cash, plus in either case an amount in cash equal to accrued and unpaid interest on such STRYPES to but not including the Applicable Redemption Date.

A-5

The STRYPES are not subject to any sinking fund or other mandatory redemption provisions. The STRYPES are not payable at the option of the Holders prior to the Maturity Date.

If an Event of Default with respect to the STRYPES, as defined in the Indenture, shall occur and be continuing, then an amount equal to the issue price of all the STRYPES may be declared immediately due and payable in cash in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the STRYPES under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66-2/3% of the aggregate issue price of the Outstanding STRYPES. The Indenture also contains provisions permitting the Holders of a majority of the aggregate issue price of the Outstanding STRYPES, on behalf of the Holders of all STRYPES, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to the STRYPES. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of the STRYPES evidenced by this STRYPES Certificate and of any STRYPES evidenced by a STRYPES Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this STRYPES Certificate.

No reference herein to the Indenture and no provision of this STRYPES Certificate or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to deliver or pay the interest on, and Maturity Consideration in respect of, the STRYPES evidenced by this STRYPES Certificate at the times, place and rate, and in the manner, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the STRYPES evidenced by this STRYPES Certificate are transferable on the Security Register of the Company, upon surrender of this STRYPES Certificate for registration of transfer at the office or agency of the Company to be maintained for that purpose in The City of New York, New York, or at any other office or agency of the Company maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new STRYPES Certificates, evidencing the same aggregate number of STRYPES, will be issued to the designated transferee or transferees.

No service charge shall be made for any such transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the registration of such transfer or exchange, other than certain exchanges not involving any transfer. Certain terms used in this STRYPES Certificate which are defined in the Indenture have the meanings set forth therein.

A-6

This STRYPES Certificate shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York. The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this STRYPES Certificate is registered as the owner of the STRYPES evidenced hereby for the purpose of receiving payment as herein provided and for all other purposes, whether or not the STRYPES be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM -- as tenants in UNIF GIFT MIN -- _____ Custodian _____
common (Cust) (Minor)
- TEN ENT -- as tenants by the Under Uniform Gifts to Minors Act
entireties _____
(State)
- JT TEN -- as joint tenants with
right of survivorship
and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY
OR TAXPAYER I.D. OR OTHER
IDENTIFYING NUMBER OF
ASSIGNEE

(Please print or typewrite name and address including postal
zip code of assignee)

_____ STRYPES and all rights thereunder, hereby
irrevocably constituting and appointing _____

attorney to transfer said STRYPES on the books of the Company, with full power
of substitution in the premises.

Dated:

NOTICE: The signature to this assignment
must correspond with the name as written
upon on the face of the within Security in
every particular, without alteration or
enlargement or any change whatever.

[Form of Face of STRYPES Certificate]

[THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO A NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.]

No. _____ STRYPES

CUSIP NO. 590188 76 9

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock(SM)
 ___% STRYPES(SM) Due June __, 1999

(Payable with Shares of Common Stock,
 par value \$1.00 per share, of SunAmerica Inc.)

Issue Price Per STRYPES: \$ _____

Merrill Lynch & Co., Inc., a Delaware corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay and discharge each STRYPES evidenced hereby on _____, 1999 (the "Maturity Date") (subject to the Company's

right to redeem the STRYPES evidenced hereby, as described on the reverse hereof) by delivering to _____, or registered assigns, a number of shares of common stock, par value \$1.00 per share ("SunAmerica Common Stock"), of SunAmerica Inc. ("SunAmerica") equal to the Common Equivalent Rate (as defined in the Indenture) in effect on the Maturity Date (or, in the event there shall occur a Reorganization Event, cash, securities and/or other property in lieu thereof), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such STRYPES from _____, 1996, or from the most recent Interest Payment Date to which interest has been paid or provided for, on _____, _____, _____ and _____ in each year, beginning _____, 1996, and on the Maturity Date, at the rate of \$ _____ per STRYPES per annum (or \$ _____ per STRYPES per quarter), until the Maturity Date or such earlier date on which such STRYPES is redeemed or the issue price of such STRYPES is repaid in accordance with the provisions described below. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in said Indenture, be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on the last day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date (each a "Regular Record Date"). In any case where such Interest Payment Date shall not be a Business Day, then (notwithstanding any other provision of said Indenture or this STRYPES Certificate) payment of such interest need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and, if such payment is so made, no interest shall accrue for the period from and after such date, and, if such payment is so made, no interest shall accrue for the period from and after such date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date, and may be paid to the Person in whose name this STRYPES Certificate (or one or more Predecessor STRYPES Certificates) is registered at the close of business on a Special Record Date for the payment of such interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to Holders of STRYPES not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the STRYPES may be listed, and upon such notice as

may be required by such exchange, all as more fully provided in said Indenture.

Notwithstanding the foregoing, the Company may, at its option in lieu of delivering shares of SunAmerica Common Stock, deliver cash in an amount equal to the value of such number of shares of SunAmerica Common Stock at the Current Market Price determined as of the second Trading Day prior to the Maturity Notice Date. Such number of shares of SunAmerica Common Stock (or amount of cash or, in the event there shall occur a Reorganization Event as provided in the Indenture, cash, securities and/or other property in lieu thereof) deliverable upon payment and discharge hereof on the Maturity Date is hereinafter referred to as the "Maturity Consideration." The Current Market Price per share of SunAmerica Common Stock on any date of determination shall be the average of the daily Closing Prices for the five consecutive Trading Days ending on and including the date of

2

determination of the Current Market Price (appropriately adjusted to take into account the occurrence during such five-day period of any event that results in an adjustment of the Common Equivalent Rate); provided, however, that if the Closing Price for the Trading Day next following such five-day period (the "Next-Day Closing Price") is less than 95% of such five-day average, then the Current Market Price per share of SunAmerica Common Stock on such date of determination shall be the Next-Day Closing Price; and provided, further, that, for the purposes of calculating the Current Market Price in connection with the Maturity Date or any Applicable Redemption Date of STRYPES or any determination of an amount in cash payable in lieu of a fraction of a share of SunAmerica Common Stock or in connection with certain anti-dilution adjustments as provided in the Indenture, if any adjustment of the Common Equivalent Rate becomes effective as of any date during the period beginning on the first day of such five-day period and ending on the Maturity Date or Applicable Redemption Date or applicable date of determination under the Indenture, then the Current Market Price as determined pursuant to the foregoing will be appropriately adjusted to reflect such adjustment. A "Trading Day" is a day on which the security, the Closing Price of which is being determined, (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security; provided that, if the Closing Price of such security is to be determined by a NYSE member firm, then the term Trading Day shall mean, for purposes of determining such Closing Price, a day on which the NYSE is open for trading. The "Closing Price" of any security on any day shall mean the closing sales price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, the average of the reported closing bid and asked prices regular way on such date, in each case on the NYSE, or, if such security is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similarly generally accepted reporting service, or if not so available in such manner, as furnished by any NYSE member firm selected from time to time by the Board of Directors of the Company for that purpose.

Interest on the STRYPES evidenced hereby will be payable, and delivery of the Maturity Consideration or Applicable Redemption Price in payment of the STRYPES evidenced hereby on the Maturity Date or Applicable Redemption Date will be made, upon surrender of this STRYPES Certificate, at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and payment of interest on the STRYPES evidenced by this STRYPES Certificate (and, if the Company elects to deliver cash in lieu of SunAmerica Common Stock on the Maturity Date or Applicable Redemption Date, the amount of cash payable on the Maturity Date or Applicable Redemption Date) will be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided,

3

however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register.

ADDITIONAL PROVISIONS OF THIS STRYPES CERTIFICATE ARE CONTAINED ON THE REVERSE HEREOF AND SUCH PROVISIONS SHALL HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this STRYPES Certificate shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose. "Structured Yield Product Exchangeable for Stock" and "STRYPES" are service marks of Merrill Lynch & Co., Inc.

IN WITNESS WHEREOF, Merrill Lynch & Co., Inc. has caused this instrument to

be duly executed under its corporate seal.

Dated:

Merrill Lynch & Co., Inc.

By: _____
Name: Theresa Lang
Title: Treasurer

Attest: _____
Name: Gregory T. Russo
Title: Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This certificate evidences Securities of the series designated herein and referred to in the within-mentioned Indenture.

Chemical Bank, as Trustee

By: _____
Authorized Officer

4

[Form of Reverse of STRYPES Certificate]

MERRILL LYNCH & CO., INC.

Structured Yield Product Exchangeable for Stock
___% STRYPES Due _____, 1999

(Payable with Shares of Common Stock, par value \$1.00 per share,
of SunAmerica Inc.)

This STRYPES Certificate evidences part of a duly authorized issue of unsecured and unsubordinated debentures, notes or other evidences of senior indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, all such Securities issued and to be issued under an indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended and supplemented as of June 1, 1996, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as Trustee (the indenture dated as of April 1, 1983 and restated as of April 1, 1987, as amended, restated and supplemented from time to time, the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitation of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may be denominated in currencies other than U.S. Dollars (including composite currencies), may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase and analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This STRYPES Certificate evidences Securities of the series designated as Structured Yield Product Exchangeable for Stock, ___% STRYPES Due June, 1999 (each, a "STRYPES").

The STRYPES will be redeemable at the option of the Company, in whole or in part, at any time or from time to time prior to the Maturity Date at a redemption price per STRYPES initially equal to \$_____, declining by \$_____ on each day following the Issue Date to \$_____ on April, 1999, and equal to \$_____ thereafter (each such redemption price, an "Applicable Redemption Price"), payable in either (a) the number of shares of SunAmerica Common Stock equal to the Applicable Redemption Price on the applicable date fixed for redemption (the "Applicable Redemption Date") divided by the Current Market Price of the SunAmerica Stock determined as of the second Trading Day preceding the applicable Redemption Notice Date or (ii) at the Company's option (which may be exercised with respect to all, but not less than all, of the STRYPES to be redeemed on any Applicable Redemption Date) cash, plus in either case an amount in cash equal to accrued and unpaid interest on such STRYPES to but not including the Applicable Redemption Date.

The STRYPES are not subject to any sinking fund or other mandatory redemption provisions. The STRYPES are not payable at the option of the Holders prior to the Maturity Date.

If an Event of Default with respect to the STRYPES, as defined in the Indenture, shall occur and be continuing, then an amount equal to the issue price of all the STRYPES may be declared immediately due and payable in cash in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the STRYPES under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66-2/3% of the aggregate issue price of the Outstanding STRYPES. The Indenture also contains provisions permitting the Holders of a majority of the aggregate issue price of the Outstanding STRYPES, on behalf of the Holders of all STRYPES, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to the STRYPES. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of the STRYPES evidenced by this STRYPES Certificate and of any STRYPES evidenced by a STRYPES Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this STRYPES Certificate.

No reference herein to the Indenture and no provision of this STRYPES Certificate or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to deliver or pay the interest on, and Maturity Consideration in respect of, the STRYPES evidenced by this STRYPES Certificate at the times, place and rate, and in the manner, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the STRYPES evidenced by this STRYPES Certificate are transferable on the Security Register of the Company, upon surrender of this STRYPES Certificate for registration of transfer at the office or agency of the Company to be maintained for that purpose in The City of New York, New York, or at any other office or agency of the Company maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new STRYPES Certificates, evidencing the same aggregate number of STRYPES, will be issued to the designated transferee or transferees.

No service charge shall be made for any such transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the registration of such transfer or exchange, other than certain exchanges not involving any transfer. Certain terms used in this STRYPES Certificate which are defined in the Indenture have the meanings set forth therein.

6

This STRYPES Certificate shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York. The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this STRYPES Certificate is registered as the owner of the STRYPES evidenced hereby for the purpose of receiving payment as herein provided and for all other purposes, whether or not the STRYPES be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

7

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, 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 _____ (Cust) (Minor)
TEN ENT	--	as tenants by the entireties	Under Uniform Gifts to Minors Act		_____ (State)
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common			

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY
OR TAXPAYER I.D. OR OTHER
IDENTIFYING NUMBER OF
ASSIGNEE

(Please print or typewrite name and address including postal
zip code of assignee)

_____ STRYPES and all rights thereunder, hereby
irrevocably constituting and appointing _____

attorney to transfer said STRYPES on the books of the Company, with full power
of substitution in the premises.

Dated:

NOTICE: The signature to this assignment
must correspond with the name as written
upon on the face of the within Security in
every particular, without alteration or
enlargement or any change whatever.

May 30, 1996

Merrill Lynch & Co., Inc.
World Financial Center
North Tower
New York, New York 10281-1334

Ladies and Gentlemen:

We have acted as your counsel and are familiar with the corporate proceedings in connection with the proposed issuance and sale by Merrill Lynch & Co., Inc. (the "Company") of up to 3,450,000 of its Structured Yield Product Exchangeable for Stock, _____% STRYPES Due _____, 1999 (the "Securities").

We have examined such documents and records as we deemed appropriate, including the following:

(a) a copy of the Restated Certificate of Incorporation of the Company, certified by the Secretary of State of the State of Delaware;

(b) a copy of the Company's Registration Statement on Form S-3, as amended by Post-Effective Amendment No. 2 thereto, relating to the Securities (as so amended, the "Registration Statement");

(c) a copy of the indenture with respect to the Company's senior debt securities between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), dated as of April 1, 1983, as amended and restated (the "Principal Indenture"), in the form executed by the Company and the Trustee; and

(d) a copy of the supplemental indenture with respect to the Securities between the Company and the Trustee (the "Supplemental Indenture"), in the form to be filed as an exhibit to the Registration Statement.

The term "Indenture" shall mean the Principal Indenture as amended by the Trust Indenture Reform Act of 1990 and as amended and supplemented by the Supplemental Indenture.

Based upon the foregoing and upon such further investigation as we deem relevant in the premises, we are of the opinion:

1. The Company has been duly incorporated under the laws of the State of Delaware.

2. The Principal Indenture has been duly and validly authorized, executed and delivered by the Company and, as amended by the Trust Indenture Reform Act of 1990, constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms.

3. The Supplemental Indenture has been duly authorized by the Company and, when the Supplemental Indenture has been duly executed and delivered by the Company and the Trustee, such Supplemental Indenture will constitute a valid and binding agreement of the Company, enforceable in accordance with its terms.

4. When the Supplemental Indenture has been duly executed and delivered by the Company and the Trustee, and when the Securities shall have been duly authenticated or countersigned by the Trustee and duly issued under the Indenture, such Securities will constitute valid and binding obligations of the Company, enforceable in accordance with their terms.

With respect to enforcement, the above opinions are qualified to the extent that enforcement of the Principal Indenture, the Supplemental Indenture or the Securities may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and may be subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

We consent to the filing of this opinion as an exhibit to the Registration Statement, to the quotation in the Registration Statement of our opinion with respect to certain tax matters and to the use of our name wherever appearing in the Registration Statement and any amendment thereto.

Very truly yours,

/s/ Brown & Wood

STOCK AGREEMENT

THIS AGREEMENT is made as of this ____ day of ____, 1996, between MERRILL LYNCH CAPITAL SERVICES, INC. ("Purchaser"), a Delaware corporation and wholly-owned subsidiary of MERRILL LYNCH & CO., INC., a Delaware corporation ("ML & Co."), ML & Co. and Eli Broad ("Seller").

WHEREAS, ML & Co. has filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 (File No. 33-65135) and Post-Effective Amendment No. 2 thereto contemplating the offering of up to 3,450,000 of its Structured Yield Product Exchangeable for Stock (SM), ____% STRYPES (SM) Due ____, 1999 (the "STRYPES"), the terms of which require ML & Co. to pay and discharge the STRYPES on ____, 1999 by delivering to the holders thereof a specified number of shares of Common Stock, par value \$1.00 per share (the "SunAmerica Common Stock"), of SunAmerica, Inc., a Maryland corporation ("SunAmerica"), or, at ML & Co.'s option, an amount in cash.

WHEREAS, ML & Co. has agreed, pursuant to an underwriting agreement dated the date hereof (the "Underwriting Agreement") between ML & Co. and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), to issue and sell to the Underwriter an aggregate of 3,000,000 STRYPES (the "Initial STRYPES") and, at the Underwriter's option, all or any part of 450,000 additional STRYPES (the "Option STRYPES") to cover over-allotments, if any.

WHEREAS, the STRYPES are to be issued under an indenture, dated as of April 1, 1983 and restated as of April 1, 1987 (as amended and supplemented from time to time, the "Principal Indenture"), between ML & Co. and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee (the "Trustee"), as further amended and supplemented by the Ninth Supplemental Indenture, dated as of ____, 1996 (the "Supplemental Indenture"), between ML & Co. and the Trustee, relating to the STRYPES. The Principal Indenture, as amended and supplemented by the Supplemental Indenture, is hereinafter referred to as the "Indenture."

WHEREAS, in order to obtain the cash and/or shares of SunAmerica Common Stock (or, in the event there shall occur a Reorganization Event (as such term is defined in the Supplemental Indenture), cash, securities and/or other property in lieu thereof) required to satisfy its obligations under the STRYPES, ML & Co. has agreed to purchase from Purchaser, and Purchaser has agreed to sell to ML & Co., (i) concurrent with the issuance and sale of the Initial STRYPES, an obligation of Purchaser (the "Initial Subsidiary STRYPES") and (ii) concurrent

(SM) Service mark of Merrill Lynch & Co., Inc.

with each issuance and sale of any Option STRYPES, an additional obligation of Purchaser (an "Option Subsidiary STRYPES"); the Initial Subsidiary STRYPES and each Option Subsidiary STRYPES are hereinafter collectively referred to as the "Subsidiary STRYPES".

WHEREAS, Seller owns a number of shares of Nontransferable Class B Stock, par value \$1.00 per share (the "Nontransferable Class B Stock"), of SunAmerica in excess of the maximum number of shares of SunAmerica Common Stock that would be required by Purchaser to satisfy its obligations under the Subsidiary STRYPES; the SunAmerica Common Stock and the Nontransferable Class B Stock are hereinafter collectively referred to as the "SunAmerica Stock".

WHEREAS, in exchange for certain consideration to be paid by Purchaser and to be established hereunder, Purchaser and Seller desire to provide for the future purchase, sale and delivery of a certain number of shares of Nontransferable Class B Stock, which Nontransferable Class B Stock will automatically convert to SunAmerica Common Stock upon delivery thereof to Purchaser pursuant to the provisions of this Agreement, (or, in the event there shall occur a Restructuring Event (as such term is defined in Section 1.2(h) (2) hereof), cash, securities and/or other property in lieu thereof), subject to Seller's right to deliver cash in lieu thereof, that would enable Purchaser to pay and discharge the Subsidiary STRYPES on the maturity date thereof or redeem any of the Subsidiary STRYPES on any redemption date, without taking into account any default with respect to the Subsidiary STRYPES or any acceleration of the maturity of the Subsidiary STRYPES resulting therefrom.

WHEREAS, Seller and Purchaser desire that, at the option of Seller, the respective future purchase, sale and delivery obligations with respect to the

Contract Shares (as such term is defined in Section 1.2(j) hereof) at any Closing (as such term is defined in Section 3.1 hereof) can be settled entirely, but not less than entirely, through cash settlement in lieu of delivery of the Contract Shares.

WHEREAS, Seller has agreed, pursuant to a Collateral Agreement dated as of _____, 1996 (the "Collateral Agreement"), among Purchaser, Seller and _____, as collateral agent (the "Collateral Agent"), under the circumstances set forth therein, to pledge and grant to Purchaser a first priority lien on, and security interest in, and right to set off against, all of Seller's right, title and interest in and to an aggregate of _____ shares of any combination of SunAmerica Stock (or, in the event there shall occur a Restructuring Event (as such term is defined in Section 1.2(h) (2) hereof), cash, securities and/or other property in lieu thereof) and any other cash or securities ("Substitute Collateral") held thereunder; all such shares of SunAmerica Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) and any Substitute Collateral are hereinafter referred to as the "Collateral Property".

WHEREAS, the ownership, voting rights and rights to receive any dividends or other distributions in respect of the Collateral Property consisting of SunAmerica Stock (the "Collateral Shares") shall remain with Seller unless and until delivery, if any, of the Collateral

2

Shares to Purchaser pursuant to the provisions of this Agreement. Upon the delivery of any shares of Nontransferable Class B Stock to Purchaser pursuant to the provisions of this Agreement, such shares of Nontransferable Class B Stock will automatically convert to SunAmerica Common Stock.

NOW, THEREFORE, in consideration of their mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby mutually covenant and agree as follows:

1.

Definitions

1.1. General. For all purposes of this Agreement, except as otherwise

expressly provided or unless the context otherwise requires, the terms defined in this Section have the meanings assigned to them in this Section.

1.2. Definitions.

(a) "Applicable Early Settlement Contract Shares" means a number of shares of Nontransferable Class B Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) equal to the Applicable Early Settlement Price on any Applicable Early Settlement Date divided by the Current Market Price of SunAmerica Common Stock determined as of the second Trading Day preceding the Early Settlement Notice Date relating to such Applicable Early Settlement Date.

(b) "Applicable Early Settlement Date" means the date designated and fixed by Seller as the Early Settlement Date in any Early Settlement Notice as provided for in Section 3.1 hereof.

(c) "Applicable Early Settlement Percentage" means the percentage of Seller's outstanding obligations under this Agreement designated and fixed by Seller in any Early Settlement Notice to be satisfied and discharged by Seller on the Applicable Early Settlement Date as provided for in Section 3.1 hereof.

(d) "Applicable Early Settlement Price" means, with respect to any Applicable Early Settlement Date, an amount equal to the product of (i) an amount initially equal to \$_____, declining by \$_____ on each day following the Contract Date to \$_____ on _____, 1999, and equal to \$_____ thereafter multiplied by a percentage equal to 100% less the Previous Applicable Early Settlement Percentage and (ii) the Applicable Early Settlement Percentage. The Applicable Early Settlement Price shall be adjusted in any amendment made to this Agreement pursuant to Section 9.4(b) hereof by increasing each of the dollar amounts specified in (i) above, as each such dollar amount specified in (i)

3

above is stated as of the date immediately prior to the date on which any such amendment is made, by an amount, as determined separately for each such dollar amount specified in (i) above, equal to the product of (a) the dollar amount of each such dollar amount specified in (i) above, as each

such dollar amount specified in (i) above is stated as of the date hereof, and (b) a fraction, the numerator of which shall equal the Option Share Amount specified in the related Option Notice and the denominator of which shall equal 3,000,000.

(e) "Applicable Early Settlement Required Cash Component" means, with respect to any Applicable Early Settlement Date, an amount equal the product of (i) an amount equal to the amount which will have accrued at the rate of ___% on an amount equal to \$_____ to but excluding any Applicable Early Settlement Date from the later of the Contract Date or the most recent Reset Date (as defined below), multiplied by a percentage equal to 100% less the Previous Applicable Early Settlement Percentage (provided that if the Applicable Early Settlement Date is a Reset Date, such amount shall be zero) and (ii) the Applicable Early Settlement Percentage. _____, _____, _____, and _____, beginning _____, 1996, each constitute a "Reset Date". For these purposes, accrued amounts shall be computed on the basis of a 360-day year of twelve 30-day months. The Early Settlement Required Cash Component shall be adjusted in any amendment made to this Agreement pursuant to Section 9.4(b) hereof by increasing the dollar amount specified in (i) above, as such dollar amount specified in (i) above is stated as of the date immediately prior to the date on which any such amendment is made, by an amount equal to the product of (i) the Option Share Amount specified in the related Option Notice and (ii) \$_____.

(f) "Business Day" means any day that is not a Saturday, a Sunday or a day on which the NYSE, banking institutions or trust companies in The City of New York are authorized or obligated by law or executive order to close.

(g) "Closing Price" means the closing sales price regular way of any security on any day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, in each case on the NYSE, or, if such security is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similarly generally accepted reporting service, or if not so available in such manner, as furnished by any NYSE member firm selected from time to time by the Board of Directors of ML & Co. for that purpose.

(h) "Common Equivalent Rate" shall mean the Common Equivalent Rate in effect at any time as determined below.

4

(1) The Common Equivalent Rate shall be initially one share of SunAmerica Common Stock; provided, however, that such Common Equivalent Rate shall be subject to adjustment from time to time as provided below.

(A) If SunAmerica shall:

- (1) pay a stock dividend or make a distribution with respect to SunAmerica Common Stock in shares of such stock;
- (2) subdivide or split the outstanding shares of SunAmerica Common Stock into a greater number of shares;
- (3) combine the outstanding shares of SunAmerica Common Stock into a smaller number of shares; or
- (4) issue by reclassification of shares of SunAmerica Common Stock any shares of common stock of SunAmerica;

then, in any such event, the Common Equivalent Rate shall be adjusted by multiplying the Common Equivalent Rate in effect immediately prior to such event by a fraction, the numerator of which shall be the number of shares of SunAmerica Common Stock outstanding immediately following such event, and the denominator of which shall be the number of shares of SunAmerica Common Stock outstanding immediately prior to such event. Each such adjustment shall become effective at the opening of business on the Business Day next following the record date for determination of holders of SunAmerica Common Stock entitled to receive such dividend or distribution in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, split, combination or reclassification. Each such adjustment shall be made successively.

(B) If SunAmerica shall, after the date hereof, issue rights or warrants to all holders of SunAmerica Common Stock entitling them (for a period not exceeding 45 days from the date of such issuance) to subscribe for or purchase shares of SunAmerica Common Stock at a price per share less than the then Current Market Price of the SunAmerica Common Stock determined as of the

second Trading Day preceding the date of such issuance, then in each case the Common Equivalent Rate shall be adjusted by multiplying the Common Equivalent Rate in effect immediately prior to the date of issuance of such rights or warrants by a fraction, the numerator of which shall be the number of shares of SunAmerica Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus the number of additional shares of SunAmerica Common Stock offered for subscription or purchase pursuant to such rights or warrants, and the denominator of which shall be the number of shares of SunAmerica Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus the number of additional shares of SunAmerica Common Stock which the aggregate offering price of the total number of shares of SunAmerica Common Stock so offered for subscription or purchase pursuant to such rights or warrants would purchase at such Current Market Price, which shall be determined by

5

multiplying such total number of shares by the exercise price of such rights or warrants and dividing the product so obtained by such Current Market Price. Such adjustment shall become effective at the opening of business on the Business Day next following the record date for the determination of stockholders entitled to receive such rights or warrants. To the extent that shares of SunAmerica Common Stock are not delivered after the expiration of such rights or warrants, or if such rights or warrants are not issued, the Common Equivalent Rate shall be readjusted to the Common Equivalent Rate which would then be in effect had such adjustments for the issuance of such rights or warrants been made upon the basis of delivery of only the number of shares of SunAmerica Common Stock actually delivered. Each such adjustment shall be made successively.

(C) If SunAmerica shall pay a dividend or make a distribution to all holders of SunAmerica Common Stock of evidences of its indebtedness or other assets (including shares of capital stock of SunAmerica but excluding any cash dividends and any stock dividends or distributions referred to in subparagraph (A) above) or shall issue to all holders of SunAmerica Common Stock rights or warrants to subscribe for or purchase any of its securities (other than those referred to in subparagraph (B) above) (any of the foregoing being hereinafter referred to in this subparagraph (C) as the "Distributed Assets"), then in each such case, the Common Equivalent Rate shall be adjusted by multiplying the Common Equivalent Rate in effect on the record date referred to below by a fraction, the numerator of which shall be the Current Market Price per share of the SunAmerica Common Stock determined as of the second Trading Day preceding the record date for the determination of stockholders entitled to receive such dividend or distribution or such rights or warrants, and the denominator of which shall be such Current Market Price per share of SunAmerica Common Stock less the fair market value (as determined by the Board of Directors of ML&Co., whose determination shall be conclusive as of such record date) of the portion of the Distributed Assets so distributed applicable to one share of SunAmerica Common Stock. Each such adjustment shall become effective on the opening of business on the Business Day next following the record date for the determination of stockholders entitled to receive such dividend or distribution or such rights or warrants. To the extent that such dividend or distribution is not so paid or made, the Common Equivalent Rate shall be readjusted to the Common Equivalent Rate which would then be in effect if such dividend or distribution had not occurred. Each such adjustment shall be made successively.

(D) Any shares of SunAmerica Common Stock issuable in payment of a dividend or distribution shall be deemed to have been issued immediately prior to the close of business on the record date for such dividend or distribution for purposes of calculating the number of outstanding shares of SunAmerica Common Stock under subparagraphs (B) and (C) above.

(E) All adjustments to the Common Equivalent Rate shall be calculated to the nearest 1/100th of a share of SunAmerica Common Stock (or if there is not a nearest 1/100th of a share to the next lower 1/100th of a share). No adjustment in the Common Equivalent Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of this

6

subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(2) Adjustment for Consolidation, Merger or Other

Restructuring Event. In the event of (A) any consolidation or merger of

SunAmerica, or any surviving entity or subsequent surviving entity of SunAmerica (a "SunAmerica Successor"), with or into another entity (other than a merger or consolidation in which SunAmerica is the continuing corporation and in which the SunAmerica Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of SunAmerica or another corporation), (B) any sale, transfer, lease or conveyance

to another corporation of the property of SunAmerica or any SunAmerica Successor as an entirety or substantially as an entirety, (C) any statutory exchange of securities of SunAmerica or any SunAmerica Successor with another corporation (other than in connection with a merger or acquisition) or (D) any liquidation, dissolution, winding up or bankruptcy of SunAmerica or any SunAmerica Successor (any such event described in clause (A), (B), (C) or (D), a "Restructuring Event"), the Common Equivalent Rate will be adjusted to provide that Purchaser will receive for each share of Nontransferable Class B Stock deliverable by Seller hereunder on the Termination Date or any Early Settlement Date cash in an amount equal to the Transaction Value. "Transaction Value" means (x) for any cash received in any such Restructuring Event, the amount of cash received per share of SunAmerica Common Stock, (y) for any property other than cash or securities received in any such Restructuring Event, an amount equal to the market value on the Termination Date or any Early Settlement Date of such property received per share of SunAmerica Common Stock as determined by a nationally recognized independent investment banking firm retained for this purpose by ML & Co. and (z) for any securities received in any such Restructuring Event, an amount equal to the average Closing Price per unit of such securities on the five Trading Days immediately prior to the second Trading Day preceding the Termination Date or any Early Settlement Date, multiplied by the number of such securities received for each share of SunAmerica Common Stock. Notwithstanding the foregoing, in the event that property or securities, or a combination of cash, on the one hand, and property or securities, on the other, are received in such Restructuring Event, the Seller may, at his option, in lieu of delivering cash as described above, deliver the amount of cash, securities and other property received per share of SunAmerica Common Stock in such Restructuring Event determined in accordance with clause (x), (y) or (z) above, as applicable. The kind and amount of securities with which the Seller's obligations hereunder shall be paid and discharged after consummation of such transaction shall be subject to adjustment as described in paragraph (l) above following the date of consummation of such transaction.

(i) "Contract Date" means _____, 1996.

(j) "Contract Shares" means, with respect to any Closing (as such term is defined in Section 3.1 hereof), the Termination Contract Shares or the Applicable Early Settlement Contract Shares, as the case may be.

7

(k) "Current Market Price" means the Current Market Price per share of SunAmerica Common Stock on any date of determination which shall be the average of the daily Closing Prices for the five consecutive Trading Days ending on and including the date of determination of the Current Market Price (appropriately adjusted to take into account the occurrence during such five-day period of any event that results in an adjustment of the Common Equivalent Rate); provided, however, that if the Closing Price for the Trading Day next following such five-day period (the "Next-Day Closing Price") is less than 95% of such five-day average, then the Current Market Price per share of SunAmerica Common Stock on such date of determination shall be the Next-Day Closing Price; and provided, further, that, for the purposes of calculating the Current Market Price in connection with the Termination Date Closing or any Early Settlement Date Closing or any determination of an amount in cash payable in lieu of a fraction of a share of SunAmerica Common Stock, if any adjustment of the Common Equivalent Rate becomes effective as of any date during the period beginning on the first day of such five-day period and ending on the Termination Date, then the Current Market Price as determined pursuant to the foregoing will be appropriately adjusted to reflect such adjustment.

(l) "Early Settlement Notice Date" has the meaning specified in Section 3.1 hereof.

(m) "Notice Date" means any Termination Notice Date or Early Settlement Notice Date.

(n) "NYSE" means the New York Stock Exchange.

(o) "Previous Applicable Early Settlement Percentage" means, with respect to any Applicable Early Settlement Date or the Termination Date Closing, a percentage equal to the sum of the Applicable Early Settlement Percentages designated and fixed by Seller in any Early Settlement Notices relating to any Early Settlement Dates occurring prior to such Applicable Early Settlement Date or Termination Date Closing.

(p) "Restructuring Event" has the meaning specified in Section 1.2(h)(2) hereof.

(q) "SunAmerica Successor" has the meaning specified in Section 1.2(h)(2) hereof.

(r) "Termination Contract Share Amount" means a number of shares of Nontransferable Class B Stock equal to the product of (i) the Common Equivalent Rate in effect on the Termination Date Closing (as defined in Section 2.3 hereof), (ii) 3,000,000 and (iii) a percentage equal to 100%

less the Previous Applicable Early Settlement Percentage. The Termination Contract Share Amount shall be adjusted in any amendment made to this Agreement pursuant to Section 9.4(b) hereof by increasing the

8

amount specified in (ii) above, as such amount specified in (ii) above is stated as of the date immediately prior to the date on which any such amendment is made, by the Option Share Amount specified in the related Option Notice.

(s) "Termination Contract Shares" mean a number of shares of Nontransferable Class B Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) equal to the Termination Contract Share Amount.

(t) "Termination Date" means _____, 1999.

(u) "Termination Date Closing" has the meaning specified in Section 2.3 hereof.

(v) "Termination Notice Date" has the meaning specified in Section 2.5 hereof.

(w) "Termination Price" has the meaning specified in Section 2.4 hereof.

(x) "Trading Day" means a day on which the security, the Closing Price of which is being determined, (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security; provided that, if the Closing Price of such security is to be determined by a NYSE member firm, then the term Trading Day shall mean, for purposes of determining such Closing Price, a day on which the NYSE is open for trading.

(y) "Transaction Value" has the meaning specified in Section 1.2(h) (2) hereof.

2.

Future Sale of Contract Shares or Cash Settlement

2.1. Sale and Purchase. On the basis of the representations and

warranties herein set forth and subject to the terms and conditions herein set forth, (i) Purchaser agrees to pay the consideration to Seller required by Section 2.2 hereof, and (ii) on the Termination Date Closing (as defined in Section 2.3 hereof) or on any Early Settlement Date Closing (as defined in Section 3.1 hereof), Seller agrees to sell, assign, transfer, convey and deliver to Purchaser, and Purchaser agrees to purchase and acquire from Seller, the Contract Shares, subject to Seller's right, pursuant to Section 2.5 hereof and Section 3.4 hereof, to deliver cash in lieu of the Contract Shares.

9

2.2. Consideration.

(a) The aggregate consideration to be paid by Purchaser in exchange for Seller's obligations hereunder to deliver the Contract Shares (the "Firm Consideration Amount") shall be \$_____ in cash. Upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver to Seller the Firm Consideration Amount on _____, 1996 (the "Firm Payment Date") at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by Purchaser and Seller.

(b) The consideration (the "Option Consideration Amount") to be paid by Purchaser in exchange for Seller's obligations hereunder to deliver the Contract Shares arising from any amendment made to this Agreement pursuant to Section 9.4(b) hereof shall be set forth in such amendment and shall be in an amount equal to ___% of an amount equal to the product of (i) the Option Share Amount specified in the related Option Notice and (ii) \$_____. Upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver to Seller the Option Consideration Amount on the related Date of Delivery (as such term is defined in Section 9.4(b) hereof) at the offices of Brown & Wood, One World Trade Center, New York, New York 10048, or at such other place as shall be agreed upon by Purchaser and Seller.

(c) Payment of the Firm Consideration Amount and the Option

Consideration Amount shall be made by Fedwire transfer of immediately available funds to an account designated by Seller, or such other form of payment specified by Seller, against delivery by Seller to the Collateral Agent of the number of shares of SunAmerica Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) necessary to comply with Seller's obligations under Section 6.1 hereof.

2.3. Delivery upon Termination. Consummation of the purchase, sale and

delivery of the Termination Contract Shares shall take place on a date mutually agreeable to Purchaser and Seller, not later than one (1) Trading Day prior to the Termination Date (the "Termination Date Closing"). Delivery of the certificates representing the Termination Contract Shares (unless the Termination Contract Shares are represented by one or more global certificates registered in the name of a depository or a nominee of a depository, in which event Purchaser's interest in such Termination Contract Shares shall be noted in a manner reasonably satisfactory to Purchaser and its counsel) shall be made at the offices of Purchaser, or at such other place as shall be agreed upon by Purchaser and Seller. Any certificates for the Termination Contract Shares delivered shall be registered in Purchaser's name (or endorsed in blank or otherwise registered as requested by Purchaser).

2.4. No Fractional Shares. No fractional shares or script representing

fractional shares of Nontransferable Class B Stock shall be delivered at the Termination Date Closing. Instead of any fractional share of Nontransferable Class B Stock which would otherwise be deliverable by Seller at the Termination Date Closing, Seller shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional share at the Current Market Price of the SunAmerica Common Stock (the "Termination Price") determined as of the second

10

Trading Day preceding the Termination Notice Date (as such term is defined in Section 2.5 hereof).

2.5. Cash Settlement. Notwithstanding the provisions of Sections 2.1, 2.3

and 2.4 hereof, except as provided in Section 8.1 hereof, Seller shall have the option, exercisable in his sole discretion, to require that his obligation contained therein be settled, in whole, through a cash payment at the Termination Date Closing in lieu of delivery of the Termination Contract Shares. The amount of such cash settlement payment shall be equal to the value of the Termination Contract Shares at the Termination Price. On or prior to a date that is at least 32 but not more than 62 calendar days before the Termination Date, Seller shall notify Purchaser whether he will exercise his option to require cash settlement pursuant to this Section 2.5. The date on which Seller provides such notice to Purchaser shall be referred to herein as the "Termination Notice Date". In the event of a failure by Seller to provide such notice to Purchaser, Seller shall be deemed to have elected not to exercise his option to require cash settlement pursuant to this Section 2.5 and the Termination Notice Date shall be deemed to be the date that is 32 days before the Termination Date.

2.6. Termination Date Closing Condition. If a Restructuring Event shall

have occurred, Seller's right to deliver to Purchaser hereunder securities and/or other property received pursuant to such Restructuring Event shall be conditioned upon such securities and/or other property so delivered being (a) transferable after such delivery without contemporaneous registration under the Securities Act of 1933, as amended (the "1933 Act"), and (b) free of any transfer restrictions. If the condition set forth in the preceding sentence shall not be satisfied, then, notwithstanding the provisions hereof, the parties respective obligations contained in clause (ii) of Section 2.1 shall be settled, in whole, through a cash payment at the Termination Date Closing in lieu of delivery of the Termination Contract Shares as provided in Section 2.5 hereof.

3.

Early Satisfaction and Discharge

3.1. Early Satisfaction and Discharge. Except as provided in Section 8.1

hereof, Seller shall have the option, exercisable at any time, to require that the parties satisfy and discharge their respective obligations hereunder, in whole or in part, on any date or dates fixed by Seller for early settlement (each an "Early Settlement Date Closing" and, together with the Termination Date Closing, a "Closing"), in the following manner:

(i) Seller shall sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase and acquire from Seller, the Applicable Early Settlement Contract Shares; and

(ii) Seller shall deliver to Purchaser cash in an amount equal to the Applicable Early Settlement Required Cash Component.

11

Seller shall provide notice ("Early Settlement Notice") of his intention to require early satisfaction and discharge, in whole or in part, of this Agreement to Purchaser and ML & Co. on or prior to a date that is not less than 32 but not more than 62 calendar days prior to any Early Settlement Date Closing. Seller shall designate and fix the date (the "Early Settlement Date") of Early Settlement Date Closing in any Early Settlement Notice. Seller shall also designate and fix in any Early Settlement Notice the percentage (the "Applicable Early Settlement Percentage") of his then outstanding obligations under this Agreement that he will satisfy and discharge on any Early Settlement Date. Notwithstanding the foregoing, Seller shall have the option set forth in this Section 3.1 only if, as of the date (the "Early Settlement Notice Date") on which Seller provides Early Settlement Notice to Purchaser and ML & Co., Seller has fully complied with the provisions contained in Sections 6.1(b), 6.1(c) and 6.2 hereof.

3.2. Payment and Delivery. Consummation of the purchase, sale and

delivery of the Early Settlement Contract Shares and delivery of the Early Settlement Required Cash Component shall take place at the Early Settlement Date Closing. Payment of the Early Settlement Required Cash Component shall be made by Fedwire transfer of immediately available funds to an account designated by Purchaser, or such other form of payment specified by Purchaser. Delivery of the certificates representing the Early Settlement Contract Shares (unless the Early Settlement Contract Shares are represented by one or more global certificates registered in the name of a depositary or a nominee of a depositary, in which event Purchaser's interest in such Early Settlement Contract Shares shall be noted in a manner reasonably satisfactory to Purchaser and its counsel) shall be made at the offices of Purchaser, or at such other place as shall be agreed upon by Purchaser and Seller. Any certificates for the Early Settlement Contract Shares delivered shall be registered in Purchaser's name (or endorsed in blank or otherwise registered as requested by Purchaser).

3.3. No Fractional Shares. No fractional shares or script representing

fractional shares of Nontransferable Class B Stock shall be delivered at any Early Settlement Date Closing. Instead of any fractional share of Nontransferable Class B Stock which would otherwise be deliverable by Seller at any Early Settlement Date Closing, Seller shall make a cash payment in respect of such fractional interest in an amount equal to such fractional share at the Current Market Price of the SunAmerica Common Stock determined as of the second Trading Day preceding the applicable Early Settlement Notice Date.

3.4. Cash Settlement. Notwithstanding the provisions of Sections 3.1, 3.2

and 3.3 hereof, Seller shall have the option, exercisable in his sole discretion, to require that his obligation contained therein be settled, in whole, through a cash payment at any Early Settlement Date Closing in lieu of delivery of the Early Settlement Contract Shares. The amount of any such cash settlement payment shall be equal to the Applicable Early Settlement Price. In the Early Settlement Notice given to Purchaser pursuant to Section 3.1 hereof, Seller shall notify Purchaser whether he will exercise his option to require cash settlement pursuant to this Section 3.4.

12

4.

Representations and Warranties of Seller

Seller represents and warrants to Purchaser as of the date hereof and as of the date of each Closing as follows:

(a) This Agreement has been duly executed and delivered by Seller and (assuming the due authorization, execution and delivery by Purchaser and ML & Co.) constitutes a valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), or similar laws affecting enforcement of creditors' rights generally, except as enforcement hereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and except that Seller makes no representation or warranty as to the application of the Commodities Exchange Act or the rules and regulations of the Commodities Futures Trading Commission promulgated thereunder (collectively, the "CEA"), to the matters set forth in this Section 4(a).

(b) (i) At the date hereof, Seller is the sole registered owner of and has all rights in and to at least _____ shares of SunAmerica Stock,

free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; and (ii) to the extent Seller elects to deliver the Contract Shares at Closing, upon delivery of such Contract Shares pursuant to this Agreement, Purchaser will be the sole registered owner of an equivalent number of shares of SunAmerica Common Stock and, assuming Purchaser purchased for value in good faith and without notice of any adverse claim, Purchaser will have acquired all rights in and to such shares of SunAmerica Common Stock, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(c) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the execution, delivery or performance by Seller of this Agreement or the consummation by Seller or SunAmerica of the transactions contemplated herein, except such as have been already obtained or as may be required under the 1933 Act or the rules and regulations promulgated thereunder or state securities laws and except that Seller makes no representation or warranty as to the application of the CEA to the matters set forth in this Section 4(c); and Seller has full right and power to enter into this Agreement and to sell, assign, transfer and deliver the Contract Shares pursuant to this Agreement.

(d) The execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the transactions contemplated herein and compliance by Seller with his obligations hereunder do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any shares of SunAmerica Stock owned by Seller pursuant to any contract, mortgage, deed of trust, loan or credit

13

agreement, note, lease or any other agreement or instrument to which Seller is a party or by which Seller is bound, or to which any shares of SunAmerica Stock owned by Seller is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not, singly or in the aggregate, materially and adversely affect the ability of Seller to perform his obligations under this Agreement), nor will such action result in any violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over Seller or any of Seller's assets or properties (except for violations that would not, singly or in the aggregate, materially and adversely affect the ability of Seller to perform his obligations under this Agreement) and except that Seller makes no representation and warranty as to the application of the CEA to the matters set forth in this Section 4(d).

5.

Representations and Warranties of Purchaser

Purchaser represents and warrants to Seller as of the date hereof and as of the date of each Closing as follows:

(a) Purchaser has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(b) This Agreement has been duly authorized, executed and delivered by Purchaser and (assuming the due execution and delivery by Seller) constitutes a valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement hereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(c) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the execution, delivery or performance by Purchaser of this Agreement or the consummation by Purchaser of the transactions contemplated herein, except such as have been already obtained or as may be required under the 1933 Act or the rules and regulations promulgated thereunder or state securities laws; and Purchaser has full right, power and authority to enter into this Agreement and to purchase the Contract Shares pursuant to this Agreement.

(d) The execution, delivery and performance by Purchaser of this Agreement and the consummation by Purchaser of the transactions contemplated herein and compliance by Purchaser with its obligations hereunder do not and will not, whether with or without the giving

14

of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of Purchaser pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument to which Purchaser is a party or by which Purchaser is bound, or to which any of the property or assets of Purchaser is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not, singly or in the aggregate, materially and adversely affect the ability of Purchaser to perform its obligations under this Agreement), nor will such action result in any violation of the provisions of the charter or by-laws of Purchaser, or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over Purchaser or any of its assets, properties or operations (except for violations that would not, singly or in the aggregate, materially and adversely affect the ability of Purchaser to perform its obligations under this Agreement).

6.

Covenants

6.1. Collateral.

(a) Seller shall, on the date hereof and at all times from the date hereof through the later of the last Early Settlement Date or the date of the Termination Date Closing hereunder (the "Final Closing Date"), cause to be held by the Collateral Agent under the Collateral Agreement an aggregate number of shares of any combination of SunAmerica Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) at least equal to the maximum number of shares of Nontransferable Class B Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) that would be required by Seller to pay and discharge all of Seller's outstanding obligations to deliver Contract Shares hereunder on the Termination Date Closing (the "Applicable Maximum Contract Shares"), subject to Seller's right under the Collateral Agreement, as set forth therein, to cause to be held by the Collateral Agent under the Collateral Agreement any Substitute Collateral in the manner and amount required under the Collateral Agreement.

(b) In the event that Seller exercises his option set forth in Section 3.1 hereof, on or before any Early Settlement Notice Date, Seller shall cause to be held by the Collateral Agent under the Collateral Agreement an amount of cash equal to the Applicable Early Settlement Required Cash Component that would be deliverable by Seller to Purchaser hereunder on the Applicable Early Settlement Date to which such Early Settlement Notice Date relates.

(c) Seller shall cause the required orders to be given to the Transfer Agent for the SunAmerica Stock in order to restrict the transfer thereof.

15

6.2. No Default. Seller agrees that at all times from the date hereof

through the Final Closing Date, Seller will conduct Seller's affairs so that compliance with his obligations hereunder and under the Collateral Agreement do not and will not result in any conflict with or constitute a breach or default (or in any situation that, with the giving of notice or the passage of time, or both, would result in default) in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which Seller is a party or by which he may be bound or to which any of the property or assets of Seller is subject (except for such conflicts, breaches or defaults that would not, singly or in the aggregate, materially and adversely affect the ability of Seller to perform his obligations under this Agreement and under the Collateral Agreement).

6.3. Taxes.

(a) Seller shall pay any and all documentary, stamp, transfer or similar taxes and charges that may be payable in respect of the entry into this Agreement and the transfer and delivery of the Contract Shares pursuant hereto.

(b) Purchaser and Seller hereby agree to treat, for all United States Federal, state and local tax purposes, this Agreement as a pre-paid forward contract, which does not constitute, in whole or in part, indebtedness, pursuant to which Purchaser is obligated to purchase at the Termination Date Closing or any Early Settlement Date Closing the Contract Shares which Seller is obligated to deliver at that time (subject to Seller's right to deliver cash in lieu of the Contract Shares).

6.4. Certain Notices.

(a) In case at any time from the date hereof through the Final Closing Date Seller receives notice that:

(i) SunAmerica shall declare a dividend (or any other distribution) on or in respect of the SunAmerica Common Stock to which Section 1.2(h)(1)(A) or 1.2(h)(1)(C) of this Agreement shall apply;

(ii) SunAmerica shall authorize the issuance to all holders of SunAmerica Common Stock of rights or warrants to subscribe for or purchase shares of SunAmerica Common Stock or of any other subscription rights or warrants;

(iii) there shall occur any conversion or reclassification of SunAmerica Common Stock (other than a subdivision or combination of outstanding shares of such SunAmerica Common Stock) or any consolidation, merger or reorganization to which SunAmerica is a party and for which approval of any stockholders of

16

SunAmerica is required, or the sale or transfer of all or substantially all of the assets of SunAmerica; or

(iv) there shall occur the voluntary or involuntary dissolution, liquidation, winding up or bankruptcy of SunAmerica;

then Seller shall promptly notify Purchaser and ML & Co. of such fact and of (x) the date on which a record is to be taken for the purpose of such dividend, distribution or grant of rights or warrants, or, if a record is not to be taken, the date as of which the holders of SunAmerica Common Stock of record to be entitled to such dividend, distribution or grant of rights or warrants are to be determined, or (y) the date, if known by Seller, on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation, winding up or bankruptcy is expected to become effective.

(b) Whenever the Common Equivalent Rate requires adjustment as herein provided, the Purchaser shall forthwith compute the adjusted Common Equivalent Rate in accordance with Section 1.2(h) hereof and prepare a certificate signed by an officer of Purchaser setting forth the adjusted Common Equivalent Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based, which certificate shall be conclusive, final and binding evidence of the correctness of the adjustment, and deliver such certificate to Seller within 15 Business Days following the occurrence of an event that requires an adjustment to the Common Equivalent Rate pursuant to Section 1.2(h) (or if Purchaser is not aware of such occurrence, as soon as practicable after becoming so aware).

6.5. Limitations on Trading During Certain Days. Each of Seller and ML &

Co. hereby agrees that it will not, and ML & Co. will cause each of its Majority-Owned Subsidiaries not to, buy or sell shares of SunAmerica Common Stock for their own account during the five consecutive Trading Days immediately prior to the second Trading Day preceding any Notice Date hereunder relating to an Early Settlement pursuant to Section 3.1 hereof or any cash settlement pursuant to Section 2.5 or 3.4 hereof. For purposes hereof, "Majority-Owned Subsidiaries" with respect to ML & Co. means a subsidiary more than 50% of whose outstanding securities representing the right to vote for the election of directors is owned by ML & Co. and/or one or more of ML & Co.'s other Majority-Owned Subsidiaries.

6.6. Further Assurances. From time to time on and after the date hereof

through the Final Closing Date, each of the parties hereto shall use its best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper and advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement in accordance with the terms and conditions hereof, including (i) using best efforts to remove any legal impediment to the consummation of such transactions and (ii) the execution and delivery of all such deeds, agreements, assignments and further instruments of transfer and conveyance necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement in accordance with the terms and conditions hereof.

17

7.

Conditions to Closing

7.1. Seller's Conditions to Each Closing. Seller's obligation to

consummate the transactions contemplated hereunder is conditioned upon (i) the representations and warranties of Purchaser contained in Article 5 hereof being true and correct as of the date of each such Closing, and (ii) the performance by Purchaser and ML & Co. of their respective covenants and other obligations hereunder as of the date of each such Closing.

7.2. Purchaser's Conditions to each Closing. Purchaser's obligation to

consummate the transactions contemplated hereunder is conditioned upon (i) the representations and warranties of Seller contained in Section 4 hereof being true and correct as of the date of each such Closing, and (ii) the performance by Seller of his covenants and other obligations hereunder as of the date of each such Closing.

8.

Acceleration of Delivery

8.1. Events of Default; Acceleration of Delivery. If one or more of the

following events (each an "Event of Default") shall occur:

(a) Seller shall commence a voluntary case or other proceeding seeking relief with respect to himself or his debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, custodian or other similar person of his or any substantial part of his property, or shall consent to any such relief or to the appointment of or taking possession by any such person in an involuntary case or other proceeding commenced against him;

(b) an involuntary case or other proceeding shall be commenced against Seller seeking relief with respect to himself or his debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, custodian or other similar person of his or any substantial part of his property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against Seller, under any applicable bankruptcy laws as now or hereafter in effect;

(c) a Collateral Event of Default within the meaning of the Collateral Agreement; and

(d) the inaccuracy of the representation and warranty contained in Section 4 hereof;

18

then, (A) the Applicable Maximum Contract Shares as of the date on which an Event of Default occurs (the "Acceleration Value") shall become immediately deliverable and payable by Seller to Purchaser in accordance with the Collateral Agreement without any declaration or other action on the part of Purchaser hereunder, and (B) Seller's rights under Sections 2.5 and 3.1 hereof shall terminate immediately.

[Purchaser, Seller and ML & Co. agree that the Acceleration Value is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and Purchaser will not be entitled to recover additional damage as a consequence of loss resulting from an Event of Default.]

9.

Miscellaneous

9.1. Notices. All notices and other communications hereunder shall be in

writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to Purchaser shall be directed to him at North Tower, World Financial Center, New York, New York 10281-1322, attention of _____, with a copy to the Treasurer of ML & Co. at World Financial Center, South Tower, New York, New York, 10080-6105; notices to Seller shall be directed to Seller at _____.

9.2. Governing Law; Consent to Jurisdiction. This Agreement shall be

governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within such State. For the purpose of any suit, action or proceeding arising out of or relating to this Agreement, the parties hereto hereby expressly and irrevocably consent and submit to the non-exclusive jurisdiction of any competent court in the place of its domicile and any United States Federal court sitting in the Borough of Manhattan, City and State of New York, and expressly and irrevocably waive, to the extent permitted under applicable law, any immunity from the jurisdiction thereof and any claim or defense in such suit, action or proceeding based on a

claim of improper venue, forum non conveniens or any similar basis to which it might otherwise be entitled.

9.3. Entire Agreement. Except as expressly set forth herein, this

Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, among the parties with respect to the subject matter of this Agreement.

9.4. Amendments; Waivers.

(a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Purchaser, ML & Co. and Seller or, in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right,

19

power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(b) Purchaser shall have the right, exercisable in Purchaser's sole discretion, at any time until ____, 1996, to cause an amendment to this Agreement providing for the future purchase, sale and delivery of an additional number of shares of Nontransferable Class B Stock (or, in the event there shall occur a Restructuring Event, cash, securities and/or other property in lieu thereof) on any Closing Date pursuant to the provisions of this Agreement, subject to Seller's right to deliver cash in lieu thereof pursuant to Section 2.5 and Section 3.4 hereof, by delivering notice (an "Option Notice") to ML & Co. and Seller. Any such Option Notice shall specify the total number (the "Option Share Amount") of additional shares of Nontransferable Class B Stock to be purchased, sold and delivered pursuant to the provisions of this Agreement; provided, however, that the aggregate Option Share Amounts specified in all Option Notices shall not exceed 450,000. Any such Option Notice shall also specify a date (the "Date of Delivery") on which the Option Consideration Amount to be paid by Purchaser in exchange for Seller's obligations hereunder to deliver the Contract Shares at any Closing arising from any amendment made to this Agreement pursuant to this Section 9.4(b) shall be delivered by Purchaser to Seller pursuant to Section 2.2(b) hereof. Any such Date of Delivery shall be no later than 8 Business Days after the date on which such Option Notice is delivered by Purchaser to ML & Co. and Seller. On the date on which any Option Notice is delivered by Purchaser to ML & Co. and Seller pursuant to this Section 9.4(b), ML & Co., Purchaser and Seller shall amend this Agreement. Any such amendment will include appropriate amendments to Sections 1.2(d), 1.2(e), 1.2(r), and 2.2(b) hereof as more fully described herein.

9.5. Unilateral Modification by Seller. Notwithstanding any other

provision contained herein, Seller shall have the right, exercisable in Seller's sole discretion, at any time and from time to time, to modify this Agreement so that he may satisfy his obligations under Sections 2.1, 2.3, 2.4, 3.1, 3.2, and 3.3 hereof (including related definitions), in whole or in part, by delivering shares of SunAmerica Common Stock instead of Nontransferable Class B Stock.

9.6. Conversion of Nontransferable Class B Stock. Notwithstanding any

other provision of this Agreement or the Collateral Agreement, Seller shall, to the extent necessary to comply with the Articles of Incorporation of SunAmerica, as amended and restated and including any Articles Supplementary, immediately prior to any sale, assignment, transfer, conveyance or delivery of any shares of Nontransferable Class B Stock to Purchaser required by this Agreement or the Collateral Agreement, convert such shares to shares of SunAmerica Common Stock.

9.7. Successors; Assigns. The provisions of this Agreement shall be

binding upon and accrue to the benefit of the parties hereto and their respective heirs, distributees, next of kin,

20

executors, administrators, legal and personal representatives, successors and assigns. Notwithstanding the foregoing, neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other parties hereto.

9.8. No Third Party Rights. This Agreement is not intended and shall not

be construed to create any rights in any person other than Seller, Purchaser and
ML & Co. and no person shall assert any rights as third party beneficiary
hereunder.

9.9. Counterparts. This Agreement may be signed in any number of

counterparts, each of which shall be an original, with the same effect as if the
signatures thereto and hereto were upon the same instrument.

21

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date
and year first above written.

MERRILL LYNCH CAPITAL SERVICES, INC. ELI BROAD

By _____
Name:
Title:

By _____

MERRILL LYNCH & CO., INC.

By _____
Name:
Title:

22