

Cash Collateral Agreement

COLLATERAL AGREEMENT dated as of October 3, 2005 between Lehman Brothers Inc. ("Lehman") and the Worldwide Securities Services Group of JPMorgan Chase Bank, National Association, as Collateral agent hereunder (the "Collateral Agent").

WHEREAS, Lehman and JPMorgan Chase Bank, National Association, (the "Pledgee") have entered into certain agreements pursuant to which Lehman has agreed to pledge cash and other collateral to Pledgee to secure Lehman's obligations to Pledgee; and

WHEREAS, Lehman and Pledgee have requested Collateral Agent to hold a portion of the cash pledged as collateral and to perform certain other functions as more fully described herein and summarized in Attachment A; and

NOW THEREFORE, in consideration of the foregoing, the mutual covenants hereinafter set forth, and other good and valuable consideration, the adequacy and receipt of which is acknowledged, the parties hereto agree as follows:

1. **Appointment and Acceptance.** Lehman hereby appoints JPMorgan Chase Bank, N.A. as its Collateral agent for the purposes set forth herein, and the Collateral Agent hereby accepts such appointment subject to the terms and conditions set forth herein.

2. **Collateral Fund.**

- (a) **The Account.** The Collateral Agent shall create an account in the name of, and subject to the exclusive direction and control at all times of Lehman Brothers Inc. (the "Account") to hold funds in custody for the benefit of Pledgee. The Account shall be titled "Lehman Brothers Inc. Cash Collateral Account fbo JPMorgan Chase Bank as Pledgee ("LBI Trust Account").
- (b) **Collateral Deposits.** Lehman may deposit or cause deposits of funds in the Account by wire transfer of funds from time to time (each a "Collateral Deposit") to the Collateral Agent (ABA No. 021000021 and Account No. 304647195). The Collateral Agent may change such routing and account numbers and such designation by notice to Lehman at any time.
- (c) **The Collateral Fund.** The Collateral Agent shall hold each Collateral Deposit in the Account and, subject to the terms and conditions hereof, shall pay compensation thereon pursuant to Section 3, and shall release funds as directed pursuant to Section 4. The balance in the Account at any time shall be referred to as the "Collateral Fund".

3. **Compensation on the Fund Balance.** The Collateral Agent shall credit compensation to an Account designated by Lehman in accordance with terms be agreed upon from time to time in writing. Daily statements via SWIFT will be provided to Lehman reflecting transactions executed on behalf of the Collateral Fund.

4. **Fund Transfers.** The Collateral Agent shall deliver the Collateral Fund, or any portion thereof, pursuant to telephonic instructions of Lehman confirmed by facsimile transmission in accordance with Section 13 of this Agreement. The Collateral Agent shall return the withdrawn funds to the Collateral Fund as soon as practicable on the next day unless otherwise instructed by Lehman.

The Collateral Agent shall not be required to deliver any portion of the Collateral Fund outside of the Pledgee's control until it has received written approval from the Pledgee to do so. In the event of a discrepancy between the instruction of Lehman and the Pledgee, the instruction of the Pledgee shall apply.

5. Collateral Agent.

- (a) **Standard.** The Collateral Agent undertakes to perform without gross negligence only such duties as are expressly set forth herein and no duties shall be implied. The Collateral Agent shall have no liability under and no duty to inquire as to the provisions of any law, regulation or agreement other than this Collateral Agreement. The Collateral Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Collateral Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Collateral Agent's willful misconduct was the primary cause of any loss to any person.
- (b) **Reliance.** The Collateral Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Collateral Agent shall not incur any liability for following the instructions herein expressly provided for, or written instructions given by Lehman.
- (c) **Agents and Attorneys.** The Collateral Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Collateral Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.
- (d) **Disputes.** In the event that the Collateral Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any person which, in its opinion, conflict with any of the provisions of this Collateral Agreement or the directions of Lehman, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in Collateral until it shall be directed otherwise in writing by Pledgee or by a final order or judgment of a court of competent jurisdiction.
- (e) **Consequential Damages.** Anything in this Collateral Agreement to the contrary notwithstanding, in no event shall the Collateral Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Collateral Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

6. Resignation and Removal. The Collateral Agent may resign and be discharged from its duties or obligations hereunder by giving 30 day's advance notice of such resignation specifying a date when such resignation shall take effect. The Collateral Agent may be removed and discharged from its duties or obligations hereunder by Lehman giving 1 days' advance notice of such removal and specifying a date when such removal shall take effect. If a successor as Collateral Agent shall be appointed and accept such appointment prior to the effective date of such resignation or discharge (the "Effective Date"), the Collateral Agent shall transfer the Collateral Fund to the successor, together with its information as to subaccounts. If no such successor is so appointed, the Collateral Agent shall turn over the Collateral Fund and its information about subaccounts to Lehman on the Effective Date. In either case, the Collateral Agent shall have the right to withhold and pay to itself from the Collateral Fund an amount equal to any amount due and owing to the Collateral Agent, plus any costs and expenses the Collateral Agent shall reasonably believe may be incurred by the Collateral Agent in connection with its resignation or removal.

7. Succession Upon Merger, Etc. of Collateral Agent. Any corporation into which the Collateral Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Collateral Agent in its individual capacity shall be a party, or any corporation to which substantially all the corporate trust business of the Collateral Agent in its individual capacity may be transferred, shall be the Collateral Agent under this Collateral Agreement without further act.

8. Compensation and Expenses of Collateral Agent. Lehman shall pay or reimburse the Collateral Agent upon request for all expenses, disbursements and advances, including reasonable attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery modification and termination of this Agreement.

9. Indemnity of Collateral Agent. Lehman shall indemnify, defend and save harmless the Collateral Agent and its directors, officers, agents and employees from all loss, liability or expense (including the reasonable fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Collateral Agent's execution and performance of this Collateral Agreement, except to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of the Collateral Agent, or (ii) its following any instructions or directions from Lehman. The foregoing indemnities shall survive the resignation or removal of the Collateral Agent or the termination of this Collateral Agreement.

10. Lien of Collateral Agent on Collateral Fund for Compensation, Expenses and Indemnification. Lehman hereby grants the Collateral Agent a lien on, right of set-off against and security interest in the Collateral Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder.

11. Taxes and TIN of Lehman Brothers Inc. Lehman represents that its correct Taxpayer Identification Number ("TIN") is 13-2518466. All compensation earned under the Collateral Agreement shall be allocated and/or paid as directed by Lehman and reported by the recipient to the Internal Revenue Service as required by any law or regulation in effect at the time of the distribution. The Collateral Agent shall report and withhold any taxes it determines may be required by any law or regulation in effect at the time of the distribution and shall remit such taxes to the appropriate authorities. In the event that any earnings remain undistributed at the end of any calendar year, Collateral Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by Lehman. The Collateral Agent may hire such tax attorneys and/or accountants as it shall deem appropriate in determining or reporting any tax matters hereunder and Lehman shall reimburse the costs thereof.

12. Notices. All communications hereunder shall be in writing and shall be deemed to be duly given if sent by a.) prepaid registered mail, return receipt requested, b.) by facsimile transmission, email or other electronic means, and confirmed telephonically, to the respective "notice address" set forth herein or to such other address as any party may have furnished to the other party in writing by registered mail, return receipt requested c.) electronic instructions given by Chaselink or any other electronic system then offered by JPMorgan or, d.) SWIFT message. Any such notice or communication given in the manner specified in this Section 13 shall be deemed to have been given as of the date so mailed or confirmed, except that communications to the Collateral Agent shall be deemed to have been given on the date received by the Collateral Agent. In the event that the Collateral Agent, in its sole discretion, shall determine that an emergency exists, the Collateral Agent may use such other means of communication as the Collateral Agent deems advisable.

(a) *Lehman notice address:*

Lehman Brothers Inc.
70 Hudson Street
Jersey City, NJ 07302
Attention: Craig L Jones
Facsimile: (646) 758-3162
Voice: (201) 499-6829
Email: cljones@lehman.com

(b) *Collateral Agent notice address:*

JPMorgan Chase Bank, N.A.
Institutional Trust Services
4 New York Plaza, 13th Floor
New York, NY 10001
Attention: Bruce Vecchio
Facsimile: (212) 623-2802
Voice: (212) 623-0431
Email: bruce.vecchio@jpmorgan.com

(c) *Pledgee notice address:*

JPMorgan Chase Bank, N.A.
277 Park Avenue
New York, NY 10172
Attention: Diane Leslie, Managing Director
Facsimile: (646) 534-1722
Voice: (212) 622-8618
Email: diane.leslie@jpmorgan.com

13. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Collateral Agreement, including the directions set forth herein), whether in writing, by facsimile transmission or otherwise, the Collateral Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule 1 hereto, and the Collateral Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Collateral Agent. The parties to this Collateral Agreement acknowledge that such security procedure is commercially reasonable. The Collateral Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Lehman to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Collateral Agent may apply any of the Collateral Fund for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated.

14. Miscellaneous.

- (a) **Amendments.** The provisions of this Collateral Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto.
- (b) **Assignments.** Neither this Collateral Agreement nor any right or interest hereunder may be assigned in whole or in part by any party without the prior consent of the other parties, except that the interests of the Collateral Agent shall be automatically assigned to any person with or into whom the Collateral Agent is merged or combined or to whom all or substantially all the corporate trust business of the Collateral Agent is transferred; provided, however, that the Collateral Agent shall give commercially reasonable written notice to the other parties hereto prior to such automatic assignment.
- (c) **Choice of Law.** This Collateral Agreement shall be governed by and construed under the laws of the State of New York without application of its conflicts of law provisions.
- (d) **Venue.** Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts of and the federal courts located in the State of New York.

- (e) **Force Majeure.** In the event that any party to this Collateral Agreement is unable to perform its obligations under the terms of this Collateral Agreement because of acts of God, war, strikes, equipment or transmission failure or damage reasonably beyond its control, or other cause reasonably beyond its control, such party shall not be liable for damages to the other party or any person for any damages resulting from such failure to perform or otherwise from such causes. Performance under this Collateral Agreement shall resume when the affected party is able to reasonably perform substantially that party's duties.
- (f) **Counterparts.** This Collateral Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (g) **Facsimile Signatures.** All signatures of the parties to this Collateral Agreement may be transmitted by facsimile, and such facsimile will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces and will be binding upon such party.
- (h) **Entire Agreement.** This Collateral Agreement expresses the entire understanding of the parties hereto as to the subject matter hereof. No failure to enforce any provision hereof shall prevent any subsequent enforcement of such provision or any other provision.
- (i) **Severability.** If any provision hereof is determined to be unenforceable, the remaining provisions shall be enforceable.
- (j) **Termination.** This Agreement shall be terminable (i) by the Collateral Agent on 30 days' prior written notice to Lehman and (ii) by Lehman on 1 days' prior written notice to the Collateral Agent.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Agreement as of the date first set forth above.

JPMORGAN CHASE BANK, N.A.

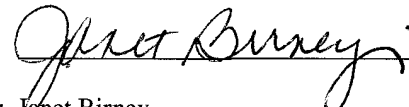
Sign:  _____

Name: Bruce Vecchio

Title: Vice President

Date: _____

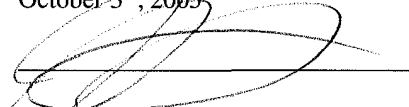
LEHMAN BROTHERS INC.

Sign:  _____

Name: Janet Birney

Title: Vice President

Date: October 3rd, 2005

Sign:  _____

Name: Jennifer Fitzgibbon

Title: Senior Vice President

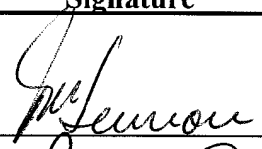
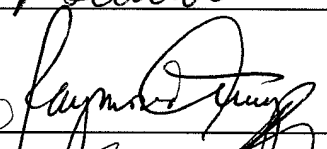
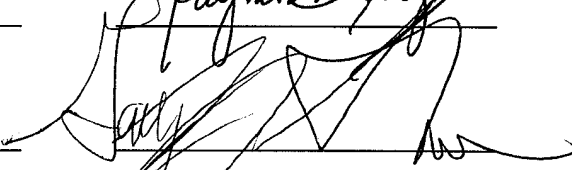
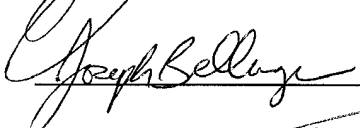

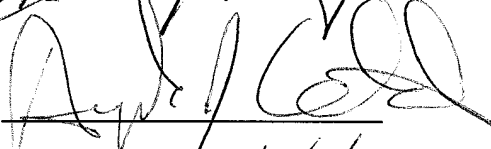
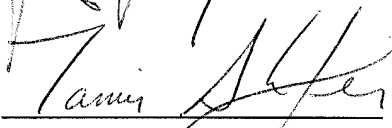

Date: October 3rd, 2005

Schedule 1

Authorized Signatory and Callback Listings

The following outlines the (i) individuals at **Lehman Brothers Inc.** ("Lehman") who are authorized to forward requisitions, money movements and/or investment requests, if applicable, to **JPMorgan Chase Bank** ("Collateral Agent"), as defined in the Cash Collateral Agreement dated as of October 3, 2005, and (ii) individuals, also at Lehman, authorized to confirm those instructions.

Authorized Signatory Listing

<u>Name:</u>	<u>Telephone Number</u>	<u>Signature</u>
<u>Raymond McLennon</u>	<u>(21) 499-6875</u>	
<u>Raymond Abary</u>	<u>(21) 499-4991</u>	
<u>Gally Lee</u>	<u>(21) 499-6655</u>	
<u>Joe Bellingeri</u>	<u>(21) 499-6975</u>	
<u>Danny Fang</u>	<u>(21) 499-6838</u>	
<u>Angelo Gabriele</u>	<u>(21) 499-6626</u>	
<u>Tamir Shafer</u>	<u>(21) 499-2122</u>	
<u>Craig Jones</u>	<u>(21) 499-6829</u>	

Authorized Callback Listing

Name: Title Telephone Number

Raymond McLennon Senior Associate McLennon

Raymond Abary Associate Raymond Abary

Gally Lee Associate Gally Lee

Joe Bellingeri Analyst Joe Bellingeri

Danny Fang Analyst Danny Fang

Angelo Gabriele Associate Angelo Gabriele

Tamir Shafer Vice President Tamir Shafer

Craig Jones Vice President Craig Jones

Dated: _____

By: Janet Birney
Name: Janet Birney
Title: SVP Vice President

Attachment A

Cash Trust Deposit

- Overview:* Currently, Lehman maintains a \$500MM Treasury collateral cushion to cover any funding inefficiencies in the Triparty process. It has been determined that a \$500MM "cash cushion" would be more beneficial to Triparty in terms of applicability. Lehman will draw off the trust as necessary to support the secured funding process.
- Deposit:* Lehman will initially deposit \$500MM into a JPM Trust account. This deposit will fluctuate daily based on the Triparty funding requirements. At month end, Lehman Brothers will draw down the funds eliminating the cash in the Trust and revert to a \$500MM Treasury cushion. The day following month end, a deposit (not necessarily \$500MM) will be placed with the Trust. On average, the Trust deposit will approximate \$500MM per month.
- Triparty/
Funding* There will be 3 instances when funding from the Trust will be required:
- 1) Specific client account in triparty is short the required collateral. This shortage will be satisfied by JPM's triparty group debiting (upon instruction from Lehman) Lehman's Trust account and applying the cash to client trades specified by Lehman. The next business day, with the daily unwind of the triparty trades, the cash which was debited from the Trust account will be credited back to the Trust by Chase. Similarly, the client's funds will be returned to their sub-account in JPM's triparty.
 - 2) Lehman has not raised enough secured financing. This shortage will result in either an overdraft or box loan in account 066206677. This shortage will be met by JPM's triparty group debiting (upon instruction from Lehman) Lehman's Trust account. Any funding requirement greater than the Trust balance will be met with the current process of a box loan. The next business day, the funds which were debited from the Trust account shall be credited back to the Trust by JPM Chase.
 - 3) Lehman withdrawal of cash from the Trust account. Lehman may withdraw funds from the Trust account at anytime prior to 6:00PM (EST) subject to availability. In the event that Lehman Brothers requires cash that has already been pledged, funds allocated to triparty trades will not be available for withdrawal until adequate collateral (as determined by JPM) is substituted.
- Timing:* The funding of these scenarios will generally take place after the Fed cash wire closes at 6:00PM. Similar to the existing process, JPM will need to debit Lehman's Trust account for the funds to be applied to 066206677 in the normal overnight batch cycle.
- Lehman may make a deposit in the JPM Trust account anytime up until 6:30pm.
- Interest:* JPM shall credit to an account (designated by Lehman) compensation on the eighth business day of each month. Interest will accrue daily. The compensation will be based upon the actual average daily balances of the Trust account during the preceding month at the corresponding average daily fed funds effective rate calculated on an actual / 360 day basis.
- Funds withdrawn from the Trust for purposes of allocating cash to Triparty will earn 90% of Fed Effective.

Funds withdrawn from the Trust to cover potential box loans and overdrafts will not earn the Trust yield, however there will be no box loan or overdraft charge.

Daily statements will be provided to Lehman reflecting transactions executed on behalf of the Trust account.

*Intraday
Credit:*

The Trust account will be linked to Lehman's Supergroup of accounts at JPM Chase. The (intraday) Trust balances will be used to reduce/offset Lehman's daylight overdraft charges.