

From: Fleming, Dan (TSY) [dfleming@lehman.com] Sent: 7/16/2008 11:06 AM
To: Mark G Doctoroff [mark.g.doctoroff@jpmorgan.com]
Cc: Jeffrey Aronson [JAronson@bear.com]; Piers Murray [piers.murray@jpmorgan.com]
Bcc: .
Subject: RE: Letter

Mark,

I received revisions from my legal team based on my description of net free equity and rationale for the \$5bn LCPI collateral pledge. Please review and let me know if you are in agreement with the revised wording. If so I will get Paolo to sign.

Thanks,
Dan

From: Mark G Doctoroff [mailto:mark.g.doctoroff@jpmorgan.com]
Sent: Friday, July 11, 2008 6:44 PM
To: Fleming, Dan (TSY)
Cc: Jeffrey Aronson; Piers Murray
Subject: Letter

Dan,

I know you must be as happy as I am that it is the end of the week!

Enclosed is the letter that we had promised to send for your review and execution. Once you have had a chance to look through and think about it, feel free to come back to me. I have cc: Jeffrey Aronson who my partner in our legal team working on this and Piers Murray who is my colleague in our credit department.

Appreciate all your help and partnership this week. Have a relaxing weekend. Best, Mark

Mark G. Doctoroff
Executive Director
Financial Institutions
JPMorgan Chase Bank, N.A.
277 Park Avenue, 14th Floor
TEL# (212) 622-1878

LBEX-AM 001354

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LBEX-AM 001355



July --, 2008

Lehman Brothers Inc.
Lehman Commercial Paper Inc.
745 Seventh Avenue
New York, New York 10019

Attention: Paolo Tonucci
Treasurer

Re: Delivery to JPMorgan Chase Bank, N.A. of \$5 billion of Securities

Ladies and Gentlemen:

The following shall clarify our understanding with respect to the delivery by Lehman Brothers Commercial Paper Inc. ("LBCP") of securities (the "LBCP Collateral") to JPMorgan Chase Bank, N.A. ("JPMC").

1. The delivery of the LBCP Collateral is in connection with advances or loans extended by JPMC to LBCP and Lehman Brothers Inc. ("LBI") pursuant to the Clearance Agreement between JPMC, LBCP and LBI dated June 15, 2000, as amended (the "Agreement"). For the avoidance of doubt, the LBCP Collateral shall constitute Collateral as defined under the Agreement.
2. The LBCP Collateral shall be held at JPMC as Collateral on the terms and conditions set forth in the Agreement (including without limitation that such LBCP Collateral may be used by JPMC to satisfy obligations of LBCP and LBI under the Agreement).
3. The Net Free Equity of LBCP, LBI and their affiliates, as determined by JPMC in its sole discretion, shall include the LBCP Collateral.
4. JPMC has identified certain modifications to its calculation of Net Free Equity which are in the process of being implemented, until such time as JPMC implements such enhancements it is understood that Net Free Equity pursuant to the Agreement shall be reduced by \$5 billion (including the LBCP Collateral in such calculation).
5. This letter agreement and the performance of all transactions contemplated hereunder have been duly authorized by LBCP, LBI and JPMC in accordance with all requisite action.

Acknowledged and agreed as of this __ day of July, 2008:

LEHMAN BROTHERS COMMERCIAL PAPER INC.

LBEX-AM 001356

By: _____
Name:
Title:

LEHMAN BROTHERS INC.

By: _____
Name:
Title:

