

LEHMAN BROTHERS HOLDINGS INC.

**Minutes of the Board of Directors
August 6, 2008**

A meeting of the Board of Directors of Lehman Brothers Holdings Inc. (the "Corporation" or collectively with its subsidiaries, the "Firm") was held telephonically at 4 p.m. on August 6, 2008, pursuant to written notice.

PRESENT - BOARD MEMBERS

Mr. Michael L. Ainslie
Mr. John F. Akers
Mr. Roger S. Berlind
Mr. Thomas H. Cruikshank
Ms. Marsha Johnson Evans
Mr. Richard S. Fuld, Jr.
Sir Christopher Gent
Mr. Jerry A. Grundhofer
Mr. Roland A. Hernandez
Mr. Henry Kaufman
Mr. John D. Macomber

ALSO PRESENT BY INVITATION

Mr. Thomas A. Russo
Mr. Jeffrey A. Welikson

STRATEGIC UPDATE

Mr. Fuld reported to the Board of Directors on the status of discussions with the potential foreign partner. He reported that this party was no longer willing to engage in the transaction previously outlined to the Board of Directors. He reported that this party continues to express an interest in investing in the Firm, but only after the Firm has spun off its commercial real estate business. Mr. Fuld also reported to the Board of Directors on subsequent discussions with the potential domestic partner previously reported to the Board of Directors. He indicated that this party might be a potential provider of mezzanine financing to a spin-off of the commercial real estate business.

Mr. Fuld reported that the Firm is focused on the spin-off of the commercial real estate business, while at the same time continuing discussions with potential partners, and continuing work on a potential sale of all or part of the Investment Management Division

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and the potential re-sizing of the Firm. Mr. Fuld described that Firm funding and client relationships are holding. He updated the Board of Directors on the market environment and the third quarter.

Mr. Russo then discussed the potential spin-off of the commercial real estate business, including the alternatives of an operating company spin-off and a liquidating trust spin-off, potential hurdles to the transaction, and the potential time frame for the spin-off. Mr. Fuld and Mr. Russo discussed their plans to meet with the Securities and Exchange Commission to discuss the potential spin-off.

The Board directed questions to management regarding the discussions with the potential foreign partner, the discussions with the potential domestic partner, the possible sale of the Investment Management Division, the potential spin-off of the commercial real estate business, the third quarter to date, and other matters.

There being no further business to come before the meeting, the meeting was, upon motion duly made and seconded, adjourned.

Respectfully submitted,

Jeffrey A. Welikson
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Secretary of the Meeting