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Sent:7/3/2008 8:36 AM.

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Bcc: .

Subject: Project Green Acres / Range of Transaction Structures.

Skip,

Attached are the materials referenced in the meeting that we had developed internally and with E&Y related to the range of structures.

<<CRE Transaction Alts v4.ppt>>

Brad

Green Acres – Summary of Structural Alternatives

	Current Approach		Potential Strategic Solutions		
	Sell Individually	Sell Larger Blocks	Strategic Sale(s)	Joint Venture	Spin-Off
Description	<ul style="list-style-type: none"> Continue selling assets one-by-one 	<ul style="list-style-type: none"> Continue selling assets one-by-one Supplement with small \$1B block sales regionally, maintaining price discipline 	<ul style="list-style-type: none"> Organized M&A divestiture process Executed as a single transaction or in “buckets” 	<ul style="list-style-type: none"> Contributed some or all assets to a de-consolidated JV Green retains JV interest 	<ul style="list-style-type: none"> Spin-off 100% of assets to current Green shareholders Possibly with third party sponsor
Amount	<ul style="list-style-type: none"> ~\$15B 	<ul style="list-style-type: none"> [~\$20B] 	<ul style="list-style-type: none"> [\$20+B] 	<ul style="list-style-type: none"> [\$10-\$40B] 	<ul style="list-style-type: none"> [~\$40B]
Timing	<ul style="list-style-type: none"> Ongoing, over [12] months 	<ul style="list-style-type: none"> Ongoing, over [12] months 	<ul style="list-style-type: none"> [4-6] month process 	<ul style="list-style-type: none"> [3-5] month process 	<ul style="list-style-type: none"> [4-6] month process
Value	<ul style="list-style-type: none"> At or near marked value 	<ul style="list-style-type: none"> [Modest discount to marked value] 	<ul style="list-style-type: none"> [Could be meaningful discount to marked value] [May provide 1st loss] 	<ul style="list-style-type: none"> [Potentially at or near marked value, depending on partner] [May provide 1st loss] 	<ul style="list-style-type: none"> [Largest discount to marked value]
Retain Upside	<ul style="list-style-type: none"> Only in retained assets 	<ul style="list-style-type: none"> Only in retained assets 	<ul style="list-style-type: none"> In retained assets and possibly warrants 	<ul style="list-style-type: none"> Through JV interest and retained assets 	<ul style="list-style-type: none"> In retained assets and possibly warrants
Buyers / Partners	<ul style="list-style-type: none"> Commercial mortgage players 	<ul style="list-style-type: none"> Commercial mortgage players and possibly PE firms 	<ul style="list-style-type: none"> Commercial mortgage players, PE and other financial firms and / or strategics 	<ul style="list-style-type: none"> PE and other financial firms, strategics (e.g., GE) and / or foreign partners (e.g., Koreans) 	<ul style="list-style-type: none"> Public markets and possibly PE or other financial firms

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Move Off Balance Sheet	◆ Off B/S, even if Green financing required	◆ Off B/S, even if Green financing required	◆ Off B/S, even if Green financing required – so long as no Green retained equity interest	◆ Yes, so long as own 50% or less of vote, equity and enterprise, and JV is ongoing business	◆ Yes, so long as retained debt is treated as debt
MTM on Assets Transferred	◆ No longer MTM	◆ No longer MTM	◆ No longer MTM	◆ No longer MTM, so long as JV is ongoing business	◆ No longer MTM (even if SpinCo does MTM)
MTM on Green Retained Assets	◆ Unlikely	◆ Limited	◆ Yes	◆ Possibly	◆ Yes, but retained assets may be small
Market Reaction	◆ Neutral	◆ Neutral / positive	◆ Positive, depending on valuation	◆ Positive, depending on perception of partner / structure	◆ Positive, depending on (expected) trading levels
Execution Risk	◆ Low	◆ Low – Medium	◆ Medium – High	◆ Medium – High	◆ Medium
Key Considerations	<ul style="list-style-type: none"> ◆ Timing ◆ Amount divested 	<ul style="list-style-type: none"> ◆ Timing ◆ Green financing / debt MTM ◆ Price 	<ul style="list-style-type: none"> ◆ Price ◆ Leveragability / Green financing / debt MTM ◆ Sale treatment (for equity positions) 	<ul style="list-style-type: none"> ◆ Partner ◆ Leveragability / Green financing / debt MTM ◆ Continued equity exposure 	<ul style="list-style-type: none"> ◆ Leveragability / Green financing / debt MTM ◆ Size of spun equity ◆ De-consolidation ◆ Tax treatment re div to shareholders ◆ Trading value