

INDEX

- I. SUBORDINATED LOAN AGREEMENT – CASH: LBHI v. LBI
 - i. Dated as of May 29, 2001
 - a. First Amendment
 - i. Dated as of August 19, 2002
 - b. Second Amendment
 - i. Dated as of September 2, 2003
 - c. Third Amendment
 - i. Dated as of November 20, 2003

- II. FIRST AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT – CASH: LBHI v. LBI
 - i. Dated as of November 24, 2004

- III. AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT – CASH: LBHI v. LBI
 - i. Dated as of August 26, 2005
 - a. First Amendment
 - i. Dated as of August 29, 2006
 - b. Second Amendment
 - i. Dated as of February 15, 2008

- IV. INTRODUCING BROKER AGREEMENT: LBI v. LOTC

- V. SECURITIES ACCOUNT CONTROL AGREEMENT: LBI v. LOTC
 - i. Dated as of May 11, 2005

I.

2001 MAY 29 P 4:13

SUBORDINATE LOAN AGREEMENT - CASH

THIS AGREEMENT is entered into this 29th day of May, 2001 between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Organization")

X
S22
E 24

1. GENERAL - Subject to the terms and conditions hereinafter set forth, the Organization promises to pay to the Lender or assigns, on May 31, 2003 (the "Scheduled Maturity Date") (the last day of the month at least 1 year and not more than 10 years from the date thereof) at the principal office of the Organization, \$800,000,000 and interest payable monthly at a rate of * % per annum from the date hereof. By written notice delivered to the Organization at its principal office and to the New York Stock Exchange, Inc. (the "Exchange") no sooner than 6 months from the date hereof, the Lender may accelerate such payment date to the last business day of a calendar month not less than 6 months after the receipt of such notice by both the Organization and the Exchange, but the right of the Lender to receive payment of the principal amount hereof and interest shall remain subordinate as hereinafter provided

2. SUSPENDED REPAYMENT

The Organization's obligation to pay the principal amount hereof on the Scheduled Maturity Date or any accelerated date shall be suspended if the obligation shall not mature for any period of time during which after giving effect to such payment (together with (a) the payment of any other obligation of the Organization payable at or prior to the payment hereof and (b) the return of any Secured Demand Note and the Collateral therefor held by the Organization and returnable at or prior to the payment hereof).

- (i) in the event that the Organization is not operating pursuant to the alternative net capital requirement provided for in paragraph (a)(1)(ii) of Rule 15c3-1 (the "Rule") under the Securities Exchange Act of 1934, as amended (the "Act"), the aggregate indebtedness of the Organization would exceed 1200 percent of its net capital as those terms are defined in the Rule or any successor rule as in effect at the time payment is to be made, or such other percent as may be made applicable to the Organization at the time of such payment by the New York Stock Exchange, Inc. (the "Exchange") or the Securities and Exchange Commission (the "SEC"), or

* The rate per annum determined by the Lender in good faith as the Lender's cost of Funds necessary to fund and maintain this loan, but not to exceed one month LIBOR plus 200 basis points.
December, 1998 © New York Stock Exchange, Inc.

- (vi) in the event that the Organization is subject to the provisions of Paragraph (a)(8)(iv) or (c)(2)(x)(C) of the Rule, the net capital of the Organization would be less than the amount required to satisfy the 100 percent test (or such other percentage test as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC) stated in such applicable paragraph,

(the net capital necessary to enable the Organization to avoid such suspension of its obligation to pay the principal amount hereof being hereinafter referred to as the "Applicable Minimum Capital") and during any such suspension the Organization shall, as promptly as consistent with the protection of its customers, reduce its business to a condition whereby the principal amount hereof with accrued interest thereon could be paid (together with (a) the payment of any other obligation of the Organization payable at or prior to the payment hereof and (b) the return of any Secured Demand Note and the Collateral therefor held by the Organization and returnable at or prior to the payment hereof) without the Organization's net capital being below the Applicable Minimum Capital, at which time the Organization shall repay the principal amount hereof plus accrued interest thereon on not less than five days' prior written notice to the Exchange. The aggregate principal amount outstanding pursuant to this Agreement shall mature on the first day at which under this paragraph the Organization has an obligation to pay the principal amount hereof. If pursuant to the terms hereof the Organization's obligation to pay the principal amount hereof is suspended and does not mature, the Organization agrees (and the Lender recognizes) that if its obligation to pay the principal amount hereof is suspended for a period of six months or more, it will promptly take whatever steps are necessary to ensure the liquidation of its business. If payment is made of all or any part of the principal hereof on the Scheduled Maturity Date or any accelerated maturity date and immediately after any such payment the Organization's net capital is less than the Applicable Minimum Capital, the Lender agrees irrevocably (whether or not such Lender had any knowledge or notice of such fact at the time of any such payment) to repay to the Organization, its successors or assigns, the sum so paid, to be held by the Organization pursuant to the provisions hereof as if such payment had never been made; provided, however, that any suit for the recovery of any such payment must be commenced within two years of the date of such payment.

3. SUBORDINATION OF OBLIGATIONS

The Lender Irrevocably agrees that the obligations of the Organization under this Agreement with respect to the payment of principal and interest are and shall be fully and irrevocably subordinate in right of payment and subject to the prior payment or provision for payment in full of all claims of all other present and future creditors of the Organization whose claims are not similarly subordinated (claims hereunder shall rank pari passu with claims similarly subordinated) and to claims which are now or hereafter expressly stated in the instruments creating such claims to be senior in right of payment to the claims of the class of this claim arising out of any matter occurring prior to the date on which the Organization's obligation to make such payment matures consistent with the provisions hereof. In the event of the appointment of a receiver or trustee of the

Organization or in the event of its insolvency, liquidation pursuant to the Securities Investor Protection Act of 1970 ("SIPA") or otherwise, its bankruptcy, assignment for the benefit of creditors, reorganization whether or not pursuant to bankruptcy laws, or any other marshaling of the assets and liabilities of the Organization, the holder hereof shall not be entitled to participate or share, ratably or otherwise, in the distribution of the assets of the Organization until all claims of all other present and future creditors of the Organization, whose claims are senior hereto, have been fully satisfied, or adequate provision has been made therefor.

4. PERMISSIVE PREPAYMENT

With the prior written approval of the Exchange, the Organization may, at its option, make Prepayment of all or any portion of the principal amount hereof to the Lender prior to the Scheduled Maturity Date at any time subsequent to one year from the effective date of this agreement. No Prepayment shall be made, however, if after giving effect thereto (and to all other payments of principal or outstanding subordination agreements of the Organization, including the return of any Secured Demand Note and the Collateral therefor held by the Organization, the maturity or accelerated maturity of which are scheduled to occur within six months after the date such Prepayment is to occur pursuant to the provisions of this paragraph, or on or prior to the Scheduled Maturity Date for payment of the principal amount hereof or regarding this paragraph, whichever date is earlier) without interference to any projected profit or loss of the Organization.

- (i) in the event that the Organization is not operating pursuant to the alternative net capital requirement provided for in paragraph 3(b)(1) of the Rule, the aggregate indebtedness of the Organization would exceed 100 percent of its net capital as those terms are defined in the Rule or any successor rule as in effect at the time such Prepayment is to be made (or such other percent as may be made applicable at such time to the Organization by the Exchange or the SEC), or
- (ii) in the event that the Organization is operating pursuant to such alternative net capital requirement, the net capital of the Organization would be less than 5 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) of aggregate debit items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or
- (iii) in the event that the Organization is registered as a futures commission merchant under the CEA, the net capital of the Organization (as defined in the CEA or the regulations thereunder as in effect at the time of such Prepayment) would be less than 7 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the CFTC) of the

funds required to be segregated pursuant to the CEA and the regulations thereunder, and the foreign futures or foreign options secured amounts less the market value of commodity options purchased by customers of the Organization on or subject to the rules of a contract market or a foreign board of trade (provided, however, the deduction for each customer shall be limited to the amount of customer funds in such customer's account(s); and foreign futures and foreign options secured amounts) or the Organization's net capital would be less than the minimum capital requirement as defined by the USRO, or

- (iv) the Organization's net capital, as defined in the Rule or any successor rule as in effect at the time of such Prepayment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) of the minimum dollar amount required by the Rule as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC), or
- (v) in the event that the Organization is registered as a futures commission merchant under the CEA, its net capital, as defined in the CEA or the regulations thereunder as in effect at the time of such Prepayment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the CFTC) of the minimum dollar amount required by the CEA or the regulations thereunder as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such Prepayment by the CFTC), or
- (vi) in the event that the Organization is subject to the provisions of paragraph (a)(8)(v) or (c)(2)(x)(C) of the Rule, the net capital of the Organization would be less than the amount required to satisfy the 100 percent test (or such other percent test as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) stated in such applicable paragraph, or

If Prepayment is made of all or any part of the principal hereof prior to the Scheduled Maturity Date and if the Organization's net capital is less than the amount required to permit such Prepayment pursuant to the foregoing provisions of this Paragraph, the Lender agrees irrevocably (whether or not such Lender had any knowledge or notice of such fact at the time of such Prepayment) to repay the Organization, its successors or assigns, the sum so paid to be held by the Organization pursuant to the provisions hereof as if such Prepayment had never been made; provided, however, that any suit for the recovery of any such Prepayment must be commenced within two years of the date of such Prepayment.

6. ACCELERATION IN EVENT OF INSOLVENCY

The Organization's obligation to pay the unpaid principal amount hereof shall forthwith mature, together with interest accrued thereon, in the event of any receivership, insolvency, liquidation pursuant to SIPA or otherwise, bankruptcy, assignment for the benefit of creditors, reorganization whether or not pursuant to bankruptcy laws, or any other marshaling of the assets and liabilities of the Organization; but payment of the same shall remain subordinate as hereinabove set forth.

8. EFFECT OF DEFAULT

Default in any payment hereunder, including the payment of interest, shall not accelerate the maturity hereof except as herein specifically provided, and the obligation to make payment shall remain subordinated as herein above set forth.

7. NOTICE OF MATURITY OR ACCELERATED MATURITY

The organization shall immediately notify the Examining Authority for such broker or dealer, if, after giving effect to all Payments of Payment Obligations (as that term is defined in (a)(2)(iv) of Appendix D of the Rule) under subordination agreements then outstanding that are then due or mature within the following six months without reference to any proposed profit or loss of the broker or dealer under the following: (i) independence of the broker or dealer would exceed 1200 percent of its net capital or its net worth, whichever is less than 120 percent of the minimum dollar amount required by the Rule, (ii) if a broker or dealer operating pursuant to paragraph (a)(1)(ii) of the Rule, its net capital would be less than 5 percent of aggregate debit items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or, if registered as a futures commission merchant, 6 percent of the funds required to be segregated pursuant to the Commodity Exchange Act and the regulations thereunder (less the market value of commodity options purchased by option customers on or subject to the rules of a contract market, each such deduction not to exceed the amount of funds in the option customer's account), if greater, or less than 120 percent of the minimum dollar amount required by paragraphs (a)(1)(ii) of the Rule.

8. NON-LIABILITY OF EXCHANGE

The Lender Irrevocably agrees that the loan evidenced hereby is not being made in reliance upon the standing of the Organization as a member organization of the Exchange or upon the Exchange's surveillance of the Organization's financial position or its compliance with the Constitution, Rules and practices of the Exchange. The Lender has made such investigation of the Organization and its partners, officers, directors and stockholders as the Lender deems necessary and appropriate under the circumstances. The Lender is not relying upon the Exchange to provide any information concerning or relating to the Organization and agrees that the Exchange has no responsibility to disclose to the Lender any information concerning or relating to the Organization which it may now, or at any future time, have. The Lender agrees that neither the Exchange, its Special

Trust Fund, nor any director, officer, trustee nor employee of the Exchange or said Trust Fund shall be liable to the Lender with respect to this agreement or the repayment of the loan evidenced hereby or of any interest thereon.

9. STATUS OF PROCEEDS

The proceeds hereof shall be dealt with in all respects as capital of the Organization, shall be subject to the risks of its business, and may be deposited in an account or accounts in the Organization's name in any bank or trust company.

10. FUTURES COMMISSION MERCHANTS

If the Organization is a futures commission merchant, as that term is defined in the CEA, the Organization agrees, consistent with the requirements of Section 1.17(h) of the regulations of the CFTC (17 CFR 1.17(h)), that:

- (a) whenever prior written notice by the Organization to the Exchange is required pursuant to the provisions of this agreement, the same prior written notice shall be given by the Organization to (i) the CFTC at its principal office in Washington, DC, Attention Chief Accountant of Division of Trading and Markets, and/or (ii) the commodity exchange of which the Organization is a member and which is then designated by the CFTC as the Organization's designated self-regulatory organization (the "DSRO"), and
- (b) whenever prior written consent, permission or approval of the Exchange is required pursuant to the provisions of this agreement, the Organization shall also obtain the prior written consent, permission or approval of the CFTC and/or of the DSRO, and
- (c) whenever the Organization receives written notice of acceleration of maturity pursuant to the provisions of this agreement, the Organization shall promptly give written notice thereof to the CFTC at the address stated and/or to the DSRO.

11. DEFINITION OF ORGANIZATION

The term "Organization" as used in this agreement shall include the Organization, its heirs, executors, administrators, successors and assigns.

12. EFFECT OF EXCHANGE MEMBERSHIP TERMINATION

Upon termination of the Organization as a member organization of the Exchange, the references herein to the Exchange shall be deemed to refer to the Examining Authority. The term "Examining Authority" shall refer to the regulatory body having responsibility for inspecting or examining the Organization for compliance with

financial responsibility requirements under Section 9(c) of SIPA and Section 17(d) of the Act.

13. UPON WHOM BINDING

The provision of this agreement shall be binding upon the Lender, his or its heirs, executors, administrators, successors and assigns and upon the Organization.

14. ARBITRATION

Any controversy arising out of or relating to this agreement shall be submitted to and settled by arbitration pursuant to the Constitution and Rules of the Exchange. The Organization and the Lender shall be conclusively bound by such arbitration.

15. EFFECTIVE DATE

This agreement shall be effective from the date on which it is approved by the Exchange and shall not be modified or amended without the prior written approval of the Exchange.

16. ENTIRE AGREEMENT

This instrument embodies the entire agreement between the Organization and the Lender and no other evidence of such agreement has been or will be executed or admitted in connection with the Exchange.

17. GOVERNING LAW

This agreement shall be deemed to have been made under, and shall be governed by, the laws of the State of New York in all respects.

18. CANCELLATION

This agreement shall not be subject to cancellation by either party, unless the New York Stock Exchange agrees in writing to such cancellation 30 days in advance.

19. NO RIGHT OF SET-OFF

The Lender agrees that it is not taking and will not take or assert as security for the payment of the loan any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Organization or any property in which the Organization may have an interest, which is or at any time may be in the possession or subject to the control of the Lender. The Lender hereby waives, and further agrees that it will not seek to obtain payment of the note in whole or in any part by exercising any right of set-off it may assert or possess whether created by contract, statute or otherwise. Any agreement between the organization and the Lender (whether in the nature of a general

can and collateral agreement, a security or pledge agreement or otherwise) shall be deemed included hereby to the extent necessary so as not to be inconsistent with the provision of this paragraph.

Check this box if you wish to incorporate the following optional provision:

The Scheduled Maturity Date hereof in each year, without further action by either the lender or Organization shall be extended an additional year, unless on or before the day seventy months preceding the Scheduled Maturity Date then in effect, the lender shall notify the Organization in writing, with a written copy to the New York Stock Exchange, Inc., that such Scheduled Maturity Date shall not be extended.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this 29 day of

MAY, 1991

Lehman Brothers Inc.

By: _____

Name: [Signature]

Fan Lewirt

Title: Treasurer

(Organization)

Lehman Brothers Holdings Inc.

By: _____

Name: [Signature]

Dave Goldfarb

Title: Chief Financial Officer

(Lender)

Appendix A

THE LOAN EVIDENCED BY THE SUBORDINATED LOAN AGREEMENT-CASH DATED MAY 29, 2001, BETWEEN THE LENDER AND THE ORGANIZATION (THE "LOAN") WAS ACQUIRED BY THE LENDER FOR ITS OWN ACCOUNT FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF. THE LOAN IS NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY BE SOLD ONLY UPON REGISTRATION THEREOF UNDER THE SECURITIES ACT OR IN ACCORDANCE WITH AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF.

FIRST AMENDMENT TO SUBORDINATED LOAN AGREEMENT - CASH

The Subordinated Loan Agreement - Cash between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Borrower") dated May 29, 2001 (the "Agreement") is hereby amended (this "Amendment") as follows:

1. The Scheduled Maturity Date set forth in Section 1 of the Agreement is hereby changed from May 31, 2003 to August 31, 2003; and
2. The loan amount set forth in Section 1 of the Agreement is hereby changed from \$800 million to \$1.6 billion.

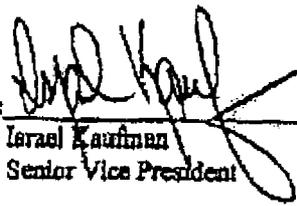
The Lender represents and warrants that any loan pursuant to the Agreement and this Amendment is made for its own account for investment and not with a view to, or for sale, in connection with, any distribution thereof.

This Amendment shall be deemed a part of the Agreement, which Agreement shall in all other respects remain unchanged.

Date: August 19, 2002

LEHMAN BROTHERS INC.

LEHMAN BROTHERS
HOLDINGS INC.

By: 
Israel Kaufman
Senior Vice President

By: _____
Ian Lowitt
Global Treasurer

FIRST AMENDMENT TO SUBORDINATED LOAN AGREEMENT - CASH

The Subordinated Loan Agreement - Cash between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Borrower") dated May 29, 2001 (the "Agreement") is hereby amended (this "Amendment") as follows:

1. The Scheduled Maturity Date set forth in Section 1 of the Agreement is hereby changed from May 31, 2003 to August 31, 2003; and
2. The loan amount set forth in Section 1 of the Agreement is hereby changed from \$800 million to \$1.6 billion.

The Lender represents and warrants that any loan pursuant to the Agreement and this Amendment is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

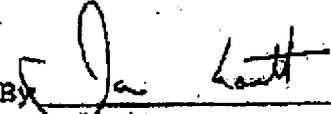
This Amendment shall be deemed a part of the Agreement, which Agreement shall in all other respects remain unchanged.

Date: August 19, 2002

LEHMAN BROTHERS INC.

LEHMAN BROTHERS
HOLDINGS INC.

By: _____
Israel Kaufman
Senior Vice President

By:  _____
Ian Lowitt
Global Treasurer



11/63
2.4 bump to 2.9B

November 25, 2003

Mr. Anthony Stucchio
Senior Vice President
Lehman Brothers
745 Seventh Avenue
New York, NY 10019

Subject: \$500 Million Increase in Principal for \$2.4 Billion Cash Subordination Agreement (Debt) between Lehman Brothers Inc. (borrower) and Lehman Brothers Holdings Inc. (lender)

Dear Mr. Stucchio:

This will confirm receipt of a Third Amendment to the agreement as well as an opinion of counsel rendered pursuant to NYSE Rule 313(d) in connection with the increase of \$500 Million for the above loan.

These documents are in a form satisfactory to the Exchange and will be trained in our files. If you have any questions please feel free to contact me at 212 656-2031.

Very truly yours,


Diana Gregory
Document Coordinator

cc: Lesley Peng
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017

Rose Fanelli, NYSE
Surveillance Director

Sharon Mei, NYSE
Senior Finance Coordinator



9/03
1.6 Legal & 2.4B

September 4, 2003

Mr. Oliver Budde
Vice President
Associate General Counsel
Lehman Brothers Holdings Inc.
399 Park Avenue, 11th Floor
New York, NY 10022

Subject: \$1,600,000,000 Cash Subordinated Agreement (Debt) between Lehman Brothers Inc. (borrower) and Lehman Brothers Holdings, Inc. (lender)

Dear Mr. Budde:

This will confirm receipt of an opinion of counsel rendered pursuant to NYSE Rule 313(d) in connection with the increase of principal for the above loan from \$1,600,000,000 to \$2,400,000,000 an increase of \$800,000,000.

The Exchange has no objection to this transaction based upon the firm's present Net Capital position and approval is granted effective September 3, 2003. The details in the change in subordinated capital must be included on the organization's next FOCUS Report filing.

Please remember that your request must now also be file directly with your designated commodity regulator, if any.

Very truly yours,


Diana Gregory
Document Coordinator

cc: Rose Fanelli, NYSE
Surveillance Director

Sharon Moi, NYSE
Finance Coordinator

LBH1-LB1
\$800M 5/01
bumped to \$1.6B 8/02

NYSE

August 29, 2002

Mr. Oliver Budde
Lehman Brothers Inc.
399 Park Avenue
New York, NY 10022-4679

Subject: Amendment No. 1 to Subordinated Loan date May 29, 2001 from
Lehman Brothers Holdings Inc Due August 31, 2003

Dear Mr. Budde:

Pursuant to the provisions of Appendix D of SEA Rule 15c3-1 this will confirm that the documentation submitted in connection with this loan is satisfactory to the Exchange and furthermore may be included in your net capital computation pursuant to our Rule 325 effective August 19, 2002.

Our records have been noted to indicate that the loan amount has been increased from \$800 million to \$1.6 billion. We note that this loan has an automatic roll-over provision.

We remind you that six months prior to the scheduled maturity date of the loan or an installment thereof, if any, you should include such detail in your FOCUS filings pursuant to Rule 326.

Very truly yours,



Niesa C. Rustad
Documents Coordinator

cc: R. Fanelli
Surveillance Director

S. Mai

78433jr

SECOND AMENDMENT TO SUBORDINATED LOAN AGREEMENT - CASH

The Subordinated Loan Agreement - Cash between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Borrower") dated May 29, 2001, as amended August 19, 2002 (the "Amended Agreement"), is hereby further amended (this "Second Amendment") as follows:

1. The loan amount set forth in Section 1 of the Amended Agreement is hereby changed from \$1.6 billion to \$2.4 billion.

The Lender represents and warrants that any loan pursuant to the Amended Agreement and this Second Amendment is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

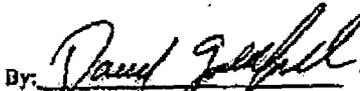
This Second Amendment shall be deemed a part of the Amended Agreement, which Amended Agreement shall in all other respects remain unchanged.

Date: September 2, 2003

LEHMAN BROTHERS INC.

LEHMAN BROTHERS
HOLDINGS INC.

By: 
Anthony Spicchio
Senior Vice President

By: 
David Goldfarb
Chief Financial Officer

THIRD AMENDMENT TO SUBORDINATED LOAN AGREEMENT - CASH

The Subordinated Loan Agreement—Cash between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Borrower") dated May 29, 2001, as amended August 19, 2002 and September 2, 2003 (the "Amended Agreement"), is hereby further amended (this "Third Amendment") as follows:

1. The loan amount set forth in Section 1 of the Amended Agreement is hereby changed from \$2.4 billion to \$2.9 billion.

The Lender represents and warrants that any loan pursuant to the Amended Agreement and this Third Amendment is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

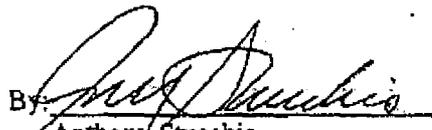
This Third Amendment shall be deemed a part of the Amended Agreement, which Amended Agreement shall in all other respects remain unchanged.

This Third Amendment may be signed in counterparts.

Date: November 20, 2003

LEHMAN BROTHERS INC.

LEHMAN BROTHERS
HOLDINGS INC.

By: 
Anthony Stucchio
Senior Vice President

By: _____
Ian T. Lowitt
Treasurer

THIRD AMENDMENT TO SUBORDINATED LOAN AGREEMENT - CASH

The Subordinated Loan Agreement – Cash between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Borrower") dated May 29, 2001, as amended August 19, 2002 and September 2, 2003 (the "Amended Agreement"), is hereby further amended (this "Third Amendment") as follows:

1. The loan amount set forth in Section 1 of the Amended Agreement is hereby changed from \$2.4 billion to \$2.9 billion.

The Lender represents and warrants that any loan pursuant to the Amended Agreement and this Third Amendment is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

This Third Amendment shall be deemed a part of the Amended Agreement, which Amended Agreement shall in all other respects remain unchanged.

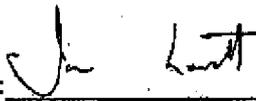
This Third Amendment may be signed in counterparts.

5
Date: November 20, 2003

LEHMAN BROTHERS INC.

LEHMAN BROTHERS
HOLDINGS INC.

By: _____
Anthony Stacchio
Senior Vice President

By:  _____
Ian T. Lowitt
Treasurer

II.

NYSE CSA FORM 1E

**FIRST AMENDED AND RESTATED
SUBORDINATED LOAN AGREEMENT - CASH**

THIS AGREEMENT is entered into this 24th day of November, 2004, between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Organization").

1. **GENERAL** - Subject to the terms and conditions hereinafter set forth, the Organization promises to pay to the Lender or assigns, on November 30, 2007 (the "Scheduled Maturity Date") (the last day of the month at least 3 years and not more than 10 years from the date thereof) at the office of the Organization, \$ 850,000,000 and interest payable at a rate of * % per annum from the date hereof. Rider A attached hereto contains additional terms and provisions of this Agreement, which are hereby expressly incorporated herein by reference.
2. **SUSPENDED REPAYMENT**

The Organization's obligation to pay the principal amount hereof on the Scheduled Maturity Date or any accelerated maturity date shall be suspended and the obligation shall not mature for any period of time during which after giving effect to such payment (together with (a) the payment of any other obligation of the Organization payable at or prior to the payment hereof and (b) the return of any Secured Demand Note and the Collateral therefor held by the Organization and returnable at or prior to the payment hereof).

- (i) In the event that the Organization is not operating pursuant to the alternative net capital requirement provided for in paragraph (a)(1)(i) of Rule 15c3-1 (the "Rule") under the Securities Exchange Act of 1934, as amended (the "Act"), the aggregate indebtedness of the Organization would exceed 1200 percent of its net capital as those terms are defined in the Rule or any successor rule as in effect at the time payment is to be made, or such other percent as may be made applicable to the Organization at the time of such payment by the New York Stock Exchange, Inc. (the "Exchange") or the Securities and Exchange Commission (the "SEC"), or
- (ii) in the event that the Organization is operating pursuant to such alternative net capital requirement, the net capital of the Organization would be less than 5 percent (or such other percent as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC) of aggregate debit items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or
- (iii) in the event that the Organization is registered as a futures commission merchant under the Commodity Exchange Act (the "CEA"), the net capital of the Organization (as defined in the CEA or the regulations thereunder as in effect at the time of such payment)

October 12, 2004 © New York Stock Exchange, Inc.

1

15443

From the date hereof through November 30, 2004, the rate shall be 1-month LIBOR (as published at 11:00 am London time on TELERATE page 3747 two business days prior to the date hereof) plus 0.65%; from December 1, 2004 through November 30, 2005, the rate shall be 1-month LIBOR (as published at 11:00 am London time on TELERATE page 3747 two business days prior to the reset date), reset monthly, plus 0.52%; for each December 1 through November 30 period thereafter, the rate shall be 1-month LIBOR (as published at 11:00 am London time on TELERATE page 3747 two business days prior to the reset date), reset monthly, plus an additional amount to be determined by the Lender based on its cost of funds, such additional amount not to exceed 1.0%.

would be less than 120 percent, or such other percentage as may be made applicable to the Organization at the time of such payment by the Commodity Futures Trading Commission (the "CFTC"), of the Organization's risk-based capital requirement calculated in accordance with CFTC regulations in effect at the time of such payment, or the Organization's net capital would be less than the minimum capital requirement as defined by the DSRG, or

- (iv) the Organization's net capital, as defined in the Rule or any successor rule as in effect at the time of such payment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC) of the minimum dollar amount required by the Rule as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC), or
- (v) in the event that the Organization is registered as a futures commission merchant under the CEA and if its net capital, as defined in the CEA or the regulations thereunder as in effect at the time of such payment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such payment by the CFTC) of the minimum dollar amount required by the CEA or the regulations thereunder as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such payment by the CFTC), or
- (vi) in the event that the Organization is subject to the provisions of Paragraph (a)(8)(v) or (b)(2)(v)(C) of the Rule, the net capital of the Organization would be less than the amount required to satisfy the 1000 percent test (or such other percentage test as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC) stated in such applicable paragraph,

(the net capital necessary to enable the Organization to avoid such suspension of its obligation to pay the principal amount hereof being hereinafter referred to as the "Applicable Minimum Capital") and during any such suspension the Organization shall, as promptly as consistent with the protection of its customers, reduce its business to a condition whereby the principal amount hereof with accrued interest thereon could be paid (together with (a) the payment of any other obligation of the Organization payable at or prior to the payment hereof and (b) the return of any Secured Demand Note and the Collateral therefor held by the Organization and returnable at or prior to the payment hereof) without the Organization's net capital being below the Applicable Minimum Capital, at which time the Organization shall repay the principal amount hereof plus accrued interest thereon on not less than five days' prior written notice to the Exchange. The aggregate principal amount outstanding pursuant to this Agreement shall mature on the first day at which under this paragraph the Organization has an obligation to pay the principal amount hereof. If pursuant to the terms hereof the Organization's obligation to

pay the principal amount hereof is suspended and does not mature, the Organization agrees (and the Lender recognizes) that if its obligation to pay the principal amount hereof is ever suspended for a period of six months or more, it will promptly take whatever steps are necessary to effect a rapid and orderly complete liquidation of its business. If payment is made of all or any part of the principal hereof on the Scheduled Maturity Date or any accelerated maturity date and immediately after any such payment the Organization's net capital is less than the Applicable Minimum Capital, the Lender agrees irrevocably (whether or not such Lender had any knowledge or notice of such fact at the time of any such payment) to repay to the Organization, its successors or assigns, the sum so paid, to be held by the Organization pursuant to the provisions hereof as if such payment had never been made; provided, however, that any suit for the recovery of any such payment must be commenced within two years of the date of such payment.

3. SUBORDINATION OF OBLIGATIONS

The Lender irrevocably agrees that the obligations of the Organization under this Agreement with respect to the payment of principal and interest are and shall be fully and irrevocably subordinated in right of payment and subject to the prior payment or provision for payment in full of all claims of all other present and future creditors of the Organization whose claims are not similarly subordinated (claims hereinafter shall rank par passu with claims similarly subordinated) and to claims which are now or hereafter expressly stated in the instruments creating such claims to be senior in right of payment to the claims of the class of this claim arising out of any matter occurring prior to the date on which the Organization's obligation to make such payment matures consistent with the provisions hereof. In the event of the appointment of a receiver or trustee of the Organization or in the event of its insolvency, liquidation pursuant to the Securities Investor Protection Act of 1970 ("SIPA") or otherwise, its bankruptcy, assignment for the benefit of creditors, reorganization whether or not pursuant to bankruptcy laws, or any other marshalling of the assets and liabilities of the Organization, the holder hereof shall not be entitled to participate or share, ratably or otherwise, in the distribution of the assets of the Organization until all claims of all other present and future creditors of the Organization, whose claims are senior hereto, have been fully satisfied, or adequate provision has been made therefor.

4. PERMISSIVE PREPAYMENT

With the prior written approval of the Exchange, the Organization may, at its option, make Prepayment of all or any portion of the principal amount hereof to the Lender prior to the Scheduled Maturity Date at any time subsequent to one year from the effective date of this agreement. No Prepayment shall be made, however, if after giving effect thereto (and to all other payments of principal of outstanding subordination agreements of the Organization, including the return of any Secured Demand Note and the Collateral therefor held by the Organization, the maturity or accelerated maturity of which are scheduled to occur within six months after the date such Prepayment is to occur pursuant to the provisions of this paragraph, or on or prior to the Scheduled Maturity Date for payment of the principal amount hereof disregarding this paragraph, whichever date is earlier) without reference to any projected profit or loss of the Organization.

(i) In the event that the Organization is not operating pursuant to the

alternative net capital requirement provided for in paragraph (a)(1)(ii) of the Rule, the aggregate indebtedness of the Organization would exceed 1000 percent of its net capital as those terms are defined in the Rule or any successor rule as in effect at the time such Prepayment is to be made (or such other percent as may be made applicable at such time to the Organization by the Exchange or the SEC), or

- (ii) In the event that the Organization is operating pursuant to such alternative net capital requirement, the net capital of the Organization would be less than 5 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) of aggregate debt items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or
- (iii) In the event that the Organization is registered as a futures commission merchant under the CEA, the net capital of the Organization (as defined in the CEA or the regulations thereunder as in effect at the time of such Prepayment) would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the CFTC) of the Organization's risk-based capital requirement calculated in accordance with CFTC regulations in effect at the time of such Prepayment, or the Organization's net capital would be less than the minimum capital requirement as defined by the DSRO, or
- (iv) the Organization's net capital, as defined in the Rule or any successor rule as in effect at the time of such Prepayment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) or the minimum dollar amount required by the Rule as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC), or
- (v) in the event that the Organization is registered as a futures commission merchant under the CEA, its net capital, as defined in the CEA or the regulations thereunder as in effect at the time of such Prepayment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the CFTC) or the minimum dollar amount required by the CEA or the regulations thereunder as in effect at such time or such other dollar amount as may be made applicable to the Organization at the time of such Prepayment by the CFTC, or
- (vi) in the event that the Organization is subject to the provisions of paragraph (a)(6)(v) or (c)(2)(c)(C) of the Rule, the net capital of the

Organization would be less than the amount required to satisfy the 1000 percent test, for such other percent test as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) stated in such applicable paragraph, or

- (vii) in the event that the Prepayment occurs more than 12 months prior to the Scheduled Maturity Date, as herein defined, the Organization would not be in compliance with the provisions of paragraph (e) of the Rule and, if applicable, Section 1.17(c) of the Regulations under the CEA.

If Prepayment is made of all or any part of the principal hereof prior to the Scheduled Maturity Date and if the Organization's net capital is less than the amount required to permit such Prepayment pursuant to the foregoing provisions of this Paragraph, the Lender agrees irrevocably (whether or not such Lender had any knowledge or notice of such fact at the time of such Prepayment) to repay the Organization, its successors or assigns, the sum so paid to be held by the Organization pursuant to the provisions hereof as if such Prepayment had never been made, provided, however, that any suit for the recovery of any such Prepayment must be commenced within two years of the date of such Prepayment.

5. ACCELERATION IN EVENT OF INSOLVENCY

The Organization's obligation to pay the unpaid principal amount hereof shall forthwith mature, together with interest accrued thereon, in the event of any receivership, insolvency, liquidation pursuant to CEA or otherwise, bankruptcy, assignment for the benefit of creditors, reorganization, whether or not pursuant to bankruptcy laws, or any other marshalling of the assets and liabilities of the Organization; but payment of the same shall remain subordinate to the priorities set forth

6. EFFECT OF DEFAULT

Default in any payment hereunder, including the payment of interest, shall not accelerate the maturity hereof except as herein specifically provided, and the obligation to make payment shall remain subordinated as herein above set forth.

7. NOTICE OF MATURITY OR ACCELERATED MATURITY

The Organization shall immediately notify the Examining Authority for such broker or dealer, if, and giving effect to all Payments of Payment Obligations (as that term is defined in (a)(2)(iv) of Appendix D of the Rule) under subordination agreements then outstanding that are then due or mature within the following six months without reference to any projected profit or loss of the broker or dealer, either the aggregate indebtedness of the broker or dealer would exceed 1200 percent of its net capital or its net capital would be less than 120 percent of the minimum dollar amount required by the Rule, or, in the case of a broker or dealer operating pursuant to paragraph (a)(1)(ii) of the Rule, its net capital would be less than 5 percent of aggregate debit items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or, if registered as a futures commission merchant, 120 percent of the

Organization's risk-based capital requirement calculated in accordance with CFTC regulations in effect at the time, or the minimum capital requirement as defined by the DSR0, if greater, or less than 120 percent of the minimum dollar amount required by paragraph (a)(1)(ii) of the Rule.

8. NON-LIABILITY OF EXCHANGE

The Lender irrevocably agrees that the loan evidenced hereby is not being made in reliance upon the standing of the Organization as a member organization of the Exchange or upon the Exchange's surveillance of the Organization's financial position or its compliance with the Constitution, Rules and practices of the Exchange. The Lender has made such investigation of the Organization and its partners, officers, directors and stockholders as the Lender deems necessary and appropriate under the circumstances. The Lender is not relying upon the Exchange to provide any information concerning or relating to the Organization and agrees that the Exchange has no responsibility to disclose to the Lender any information concerning or relating to the Organization which it may now, or at any future time, have. The Lender agrees that neither the Exchange, its Special Trust Fund, nor any director, officer, or other employee of the Exchange or said Trust Fund shall be liable to the Lender with respect to this agreement or the repayment of the loan evidenced hereby or of any interest thereon.

9. STATUS OF PROCEEDS

The proceeds hereof shall be dealt with in all respects as capital of the Organization, shall be subject to the risks of its business, and may be deposited in an account or accounts in the Organization's name in any bank or trust company.

10. FUTURES COMMISSION MERCHANTS

If the Organization is a futures commission merchant, as that term is defined in the CEA, the Organization agrees, consistent with the requirements of Section 1.17(f) of the regulations of the CFTC (17 CFR 1.17(f)), that:

- (a) whenever prior written notice by the Organization to the Exchange is required pursuant to the provisions of this agreement, the same prior written notice shall be given by the Organization to (i) the CFTC at its principal office in Washington, DC, Attention: Chief Accountant of Division of Trading and Markets, and (ii) the commodity exchange of which the Organization is a member and which is then designated by the CFTC as the Organization's designated self-regulatory organization (the "DSRO"); and

- (b) whenever prior written consent, permission or approval of the Exchange is required pursuant to the provisions of this agreement, the Organization shall also obtain the prior written consent, permission or approval of the CFTC and/or of the DSRO, and
- (c) whenever the Organization receives written notice of acceleration of maturity pursuant to the provisions of this agreement, the Organization shall promptly give written notice thereof to the CFTC at the address stated and/or to the DSRO.

11. DEFINITION OF ORGANIZATION

The term "Organization" as used in this agreement shall include the Organization, its heirs, executors, administrators, successors and assigns.

12. EFFECT OF EXCHANGE MEMBERSHIP TERMINATION

Upon termination of the Organization as a member organization of the Exchange, the references herein to the Exchange shall be deemed to refer to the Examining Authority. The term "Examining Authority" shall refer to the regulatory body having responsibility for inspecting or examining the Organization for compliance with financial responsibility requirements under Section 9(c) of SIPA and Section 17(d) of the Act.

13. UPON WHOM BINDING

The provision of this agreement shall be binding upon the Lender, his or its heirs, executors, administrators, successors and assigns and upon the Organization.

14. ARBITRATION

Any controversy arising out of or relating to this agreement shall be submitted to and settled by arbitration pursuant to the Constitution and Rules of the Exchange. The Organization and the Lender shall be conclusively bound by such arbitration.

15. EFFECTIVE DATE

This agreement shall be effective from the date on which it is approved by the Exchange and shall not be modified or amended without the prior written approval of the Exchange.

16. ENTIRE AGREEMENT

This instrument embodies the entire agreement between the Organization and the Lender and no other evidence of such agreement has been or will be executed without the prior written consent of the Exchange.

17. GOVERNING LAW

This agreement shall be deemed to have been made under, and shall

1144-44 B3/ra Pro-Inv Part Stock Exchange H007 T-210 P.011/011 T-00

be governed by, the laws of the State of New York in all respects.

18. CANCELLATION

This agreement shall not be subject to cancellation by either party, unless the New York Stock Exchange agrees in writing to such cancellation 90 days in advance.

19. NO RIGHT OF SET-OFF

The Lender agrees that it is not taking and will not take or seek as security for the payment of the loan any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Organization or any property in which the Organization may have an interest, which is or at any time may be in the possession or subject to the control of the Lender. The Lender hereby waives and further agrees that it will not seek to obtain payment of the loan in whole or in part by exercising any right of set-off it may assert or possess or claim or contract statute or otherwise. Any agreement between the organization and the Lender (whether in the nature of a general loan and collateral agreement, a security or pledge agreement or otherwise) shall be deemed amended hereby to the extent necessary so as not to be inconsistent with the provision of this paragraph.

20. Check this box if you wish to incorporate the following optional provision:

The Scheduled Maturity Date hereof in each year, without further action by either the lender or Organization shall be extended an additional year, unless on or before the day fifteen months preceding the Scheduled Maturity Date then in effect, the lender shall notify the Organization in writing, with a written copy to the New York Stock Exchange, Inc., that such Scheduled Maturity Date shall not be extended.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this 24 day of November 2004

By: [Signature]
Name: Nathaniel Scacchio
Title: Senior Vice President
(Organization)

By: _____
Name: Jan T. Smith
Title: Treasurer
(Lender)

be governed by, the laws of the State of New York in all respects.

18. CANCELLATION

This agreement shall not be subject to cancellation by either party, unless the New York Stock Exchange agrees in writing to such cancellation 90 days in advance.

19. NO RIGHT OF SET-OFF

The Lender agrees that it is not taking and will not take or assert as security for the payment of the loan any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Organization or any property in which the Organization may have an interest, which is or at any time may be in the possession or subject to the control of the Lender. The Lender hereby waives, and further agrees that it will not seek to obtain payment of the loan in whole or in any part by exercising any right of set-off it may assert or possess whether created by contract, statute or otherwise. Any agreement between the organization and the Lender (whether in the nature of a general loan and collateral agreement, a security or pledge agreement or otherwise) shall be deemed amended hereby to the extent necessary so as not to be inconsistent with the provision of this paragraph.

20. * Check this box if you wish to incorporate the following optional provision:

The Scheduled Maturity Date hereof in each year, without further action by either the lender or Organization shall be extended an additional year, unless on or before the day ~~thirty~~ thirty months preceding the Scheduled Maturity Date then in effect, the lender shall notify the Organization in writing, with a written copy to the New York Stock Exchange, Inc., that such Scheduled Maturity Date shall not be extended.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this 24 day of November, 2004.

By: _____
Name: Anthony Stacchio
Title: Senior Vice President
(Organization)

By: Jan T. Lovitt
Name: Jan T. Lovitt
Title: Global Treasurer
(Lender)

10/10/04 10:11

Rider A to First Amended and Restated Subordinated Loan Agreement – Cash, dated
November 15, 2004,
between Lehman Brothers Holdings Inc. and Lehman Brothers Inc.

The Cash Subordination Agreement, dated as of September 30, 1996, between the Lender and the Organization (the "Prior Agreement") is hereby amended and restated in its entirety. Of the \$850,000,000 loaned hereunder, \$350,000,000 has been outstanding under the Prior Agreement for at least one year. Therefore, the waiting period set forth in Section 4 of this Agreement shall apply only to the \$500,000,000 which has been newly loaned hereunder.

III.

08/25/2005

10:13

LEHMAN + 916467582654

NO. 955

002

08/25/2005

14:44

LEHMAN + 916467582654

NO. 946

001

09/12/2005

15:28

LEHMAN + 916467582654

NO. 939

001

NYSE CBA FORM 1D

Amended and Restated
SUBORDINATED LOAN AGREEMENT - CASH

THIS AGREEMENT is entered into this 26th day of August, 2005, between
LEHMAN BROTHERS HOLDINGS INC. (the "Lender") and
LEHMAN BROTHERS INC. (the "Organization").

WIDER 1

1. **GENERAL** - Subject to the terms and conditions hereinafter set forth, the Organization promises to pay to the Lender or assigns, on August, 2005 (the "Scheduled Maturity Date") (the last day of the month at least 1 year and not more than 10 years from the date thereof at the principal office of the Organization, \$3,400,000.00 and interest payable monthly at a rate of 12.75% per annum from the date hereof. By written notice delivered to the Organization at its principal office and to the New York Stock Exchange, Inc. (the "Exchange") no sooner than 6 months from the date hereof, the Lender may accelerate such payment date to the last business day of a calendar month not less than 6 months after the receipt of such notice by both the Organization and the Exchange, but the right of the Lender to receive payment of the principal amount hereof and interest shall remain subordinate as hereinafter provided.

AIDER 3

2. **SUSPENDED REPAYMENT**

The Organization's obligation to pay the principal amount hereof on the Scheduled Maturity Date or any accelerated maturity date shall be suspended and the obligation shall not mature for any period of time during which after giving effect to such payment (together with (a) the payment of any other obligation of the Organization payable at or prior to the payment hereof and (b) the return of any Secured Demand Note and the Collateral thereto held by the Organization and returnable at or prior to the payment hereof).

- (i) In the event that the Organization is not operating pursuant to the alternative net capital requirement provided for in paragraph (a)(1)(ii) of Rule 15c3-1 (the "Rule") under the Securities Exchange Act of 1934, as amended (the "Act"), the aggregate indebtedness of the Organization would exceed 120% percent of its net capital as those terms are defined in the Rule or any successor rule as in effect at the time payment is to be made, or such other percent as may be made applicable to the Organization at the time of such payment by the Exchange or the Securities and Exchange Commission (the "SEC"), or
- (ii) In the event that the Organization is operating pursuant to such alternative net capital requirement, the net capital of the Organization would be less than 8 percent (or such other percent as may be made applicable to the Organization at the time of such payment by the

28/25/2005 14:44 LEHMAN 916467582654

NO. 946 032

28/18/2005 15:28 LEHMAN 916467582654

NO. 639 001

RLG-05-0005 18:30 FROM: NYSE LEGAL REVIEW 212 856 5387

TO: LEHMAN BROTHERS

P. 5/12

Exchange or the SEC) of aggregate debit items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or

- (ii) In the event that the Organization is registered as a futures commission merchant under the Commodity Exchange Act (the "CEA"), the net capital of the Organization, as defined in the CEA or the regulations thereunder as in effect at the time of such payment) would be less than 120 percent, or such other percentage as may be made applicable to the Organization at the time of such payment by the Commodity Futures Trading Commission (the "CFTC"), of the Organization's net-based capital requirement calculated in accordance with CFTC regulations in effect at the time of such payment; or the Organization's net capital would be less than the minimum capital requirement as defined by the BSRO, or
- (iv) the Organization's net capital, as defined in the Rule or any successor rule as in effect at the time of such payment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC) of the minimum dollar amount required by the Rule as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC), or
- (v) in the event that the Organization is registered as a futures commission merchant under the CEA and if its net capital, as defined in the CEA or the regulations thereunder as in effect at the time of such payment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such payment by the CFTC) of the minimum dollar amount required by the CEA or the regulations thereunder as in effect at such time (or such other dollar amount as may be made applicable to the Organization at the time of such payment by the CFTC), or
- (vi) In the event that the Organization is subject to the provisions of Paragraph (a)(1)(v) or (c)(2)(C) of the Rule, the net capital of the Organization would be less than the amount required to satisfy the 1000 percent test (or such other percentage test as may be made applicable to the Organization at the time of such payment by the Exchange or the SEC) stated in such applicable paragraph.

(the net capital necessary to enable the Organization to avoid such suspension of its obligation to pay the principal amount hereof being hereinafter referred to as the "Applicable Minimum Capital") and during any such suspension the Organization shall, as promptly as consistent with the protection of its customers, reduce its business to a

condition whereby the principal amount hereof with accrued interest thereon could be paid (together with (a) the payment of any other obligation of the Organization payable at or prior to the payment hereof and (b) the return of any Secured Demand Note and the Collateral therefor held by the Organization and returnable at or prior to the payment hereof) without the Organization's net capital being below the Applicable Minimum Capital, at which time the Organization shall repay the principal amount hereof plus accrued interest thereon on not less than five days' prior written notice to the Exchange. The aggregate principal amount outstanding pursuant to this Agreement shall mature on the first day of which under this paragraph the Organization has an obligation to pay the principal amount hereof. If pursuant to the terms hereof the Organization's obligation to pay the principal amount hereof is suspended and does not mature, the Organization agrees (and the Lender recognizes) that if its obligation to pay the principal amount hereof is ever suspended for a period of six months or more, it will promptly take whatever steps are necessary to effect a rapid and orderly complete liquidation of its business. If payment is made of all or any part of the principal hereof on the Scheduled Maturity Date or any accelerated maturity date and immediately after any such payment the Organization's net capital is less than the Applicable Minimum Capital, the Lender agrees irrevocably (whether or not such Lender had any knowledge or notice of such fact at the time of any such payment) to repay to the Organization, its successors or assigns, the sum so paid, to be held by the Organization pursuant to the provisions hereof as if such payment had never been made; provided, however, that any suit for the recovery of any such payment must be commenced within two years of the date of such payment.

3. SUBORDINATION OF OBLIGATIONS

The Lender irrevocably agrees that the obligations of the Organization under this Agreement with respect to the payment of principal and interest are and shall be fully and irrevocably subordinate in right of payment and subject to the prior payment or provision for payment in full of all claims of all other present and future creditors of the Organization whose claims are not expressly subordinated (claims hereunder shall rank pari passu with claims expressly subordinated) and to claims which are now or hereafter expressly stated in the instruments creating such claims to be senior in right of payment to the claims of the class of this claim arising out of any matter occurring prior to the date on which the Organization's obligation to make such payment matures consistent with the provisions hereof. In the event of the appointment of a receiver or trustee of the Organization or in the event of its insolvency, liquidation pursuant to the Securities Investor Protection Act of 1970 ("SIPA") or otherwise, its bankruptcy, assignment for the benefit of creditors, reorganization whether or not pursuant to bankruptcy laws, or any other marshalling of the assets and liabilities of the Organization, the holder hereof shall not be entitled to participate or share, ratably or otherwise, in the distribution of the assets of the Organization until all claims of all other present and future creditors of the Organization, whose claims are senior hereto, have been fully satisfied, or adequate provision has been made therefor.

4. PERMISSIVE PREPAYMENT

08/25/2005 14:44 LEHMAN + 916467582654

NO. 946 004

08/10/2005 15:28 LEHMAN + 916467582654

NO. 839 004

AUG-09-2005 16:31 FROM:MYSE LEGAL REVIEW 218 856 5387

TO:LEHMAN BROTHERS P. 7/12

RIDER 4

With the prior written approval of the Exchange, the Organization may, at its option, make Prepayment of all or any portion of the principal amount hereof to the Lender prior to the Scheduled Maturity Date at any time subsequent to one year from the effective date of this agreement. No Prepayment shall be made, however, if after giving effect thereto (and to all other payments of principal of outstanding subordination agreements of the Organization, including the return of any Secured Demand Note and the Collateral therefor held by the Organization, the maturity or accelerated maturity of which are scheduled to occur within six months after the date such Prepayment is to occur pursuant to the provisions of this paragraph, or on or prior to the Scheduled Maturity Date for payment of the principal amount hereof (regardless of this paragraph, whichever date is earlier) without reference to any projected profit or loss of the Organization.

- (i) in the event that the Organization is not operating pursuant to the alternative net capital requirement provided for in paragraph (a)(1)(ii) of the Rule, the aggregate indebtedness of the Organization would exceed 1000 percent of its net capital as those terms are defined in the Rule or any successor rule as in effect at the time such Prepayment is to be made (or such other percent as may be made applicable at such time to the Organization by the Exchange or the SEC), or
- (ii) in the event that the Organization is operating pursuant to such alternative net capital requirement, the net capital of the Organization would be less than 5 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) of aggregate debt items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or
- (iii) in the event that the Organization is registered as a futures commission merchant under the CEA, the net capital of the Organization (as defined in the CEA or the regulations thereunder as in effect at the time of such Prepayment) would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the CFTC) of the Organization's net-based capital requirement calculated in accordance with CFTC regulations in effect at the time of such Prepayment, or the Organization's net capital would be less than the minimum capital requirement as defined by the DSRG, or
- (iv) the Organization's net capital, as defined in the Rule or any successor rule as in effect at the time of such Prepayment, would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) of the minimum dollar amount required by the Rule as in effect at such time (or such other dollar amount as may be made applicable

to the Organization at the time of such Prepayment by the Exchange or the SEC), or

(v) In the event that the Organization is registered as a futures commission merchant under the CEA, its net capital, as defined in the CEA or the regulations thereunder as in effect at the time of such Prepayment would be less than 120 percent (or such other percent as may be made applicable to the Organization at the time of such Prepayment by the CFTC) of the minimum dollar amount required by the CEA or the regulations thereunder as in effect at such time or such other dollar amount as may be made applicable to the Organization at the time of such Prepayment by the CFTC, or

(vi) In the event that the Organization is subject to the provisions of paragraph (a)(8)(v) or (c)(2)(i)(C) of the Rule, the net capital of the Organization would be less than the amount required to satisfy the 1000 percent test (or such other percent test as may be made applicable to the Organization at the time of such Prepayment by the Exchange or the SEC) stated in such applicable paragraph, or

If Prepayment is made of all or any part of the principal hereof prior to the Scheduled Maturity Date and if the Organization's net capital is less than the amount required to permit such Prepayment pursuant to the foregoing provisions of this Paragraph, the Lender agrees irrevocably (whether or not such Lender had any knowledge or notice of such fact at the time of such Prepayment) to repay the Organization, its successors or assigns, the sum so paid to be held by the Organization pursuant to the provisions hereof as if such Prepayment had never been made, provided, however, that any suit for the recovery of any such Prepayment must be commenced within two years of the date of such Prepayment.

8. ACCELERATION IN EVENT OF INSOLVENCY

The Organization's obligation to pay the unpaid principal amount hereof shall forthwith mature, together with interest accrued thereon, in the event of any receivership, insolvency, liquidation pursuant to SIPA or otherwise, bankruptcy, assignment for the benefit of creditors, reorganization, whether or not pursuant to bankruptcy laws, or any other marshaling of the assets and liabilities of the Organization; but payment of the same shall remain subordinate as hereinafter set forth.

9. EFFECT OF DEFAULT

Default in any payment hereunder, including the payment of interest, shall not accelerate the maturity hereof except as hereinafter specifically provided, and the obligation to make payment shall remain subordinate as herein above set forth.

7. NOTICE OF MATURITY OR ACCELERATED MATURITY

08/25/2005 14:44 LEHMAN -> 916467582654

NO. 946 006

09/18/2005 19:28 LEHMAN -> 916467582654

NO. 839 006

AUG-09-2005 16:32 FROM: NYSE LEGAL REVIEW 212 658 5387

TO: LEHMAN BROTHERS P. 9/12

The Organization shall immediately notify the Examining Authority for such broker or dealer, if, after giving effect to all Payments of Payment Obligations (as that term is defined in (a)(2)(iv) of Appendix D of the Rule) under subordination agreements then outstanding that are then due or mature within the following six months without reference to any projected profit or loss of the broker or dealer either the aggregate indebtedness of the broker or dealer would exceed 120 percent of its net capital or its net capital would be less than 120 percent of the minimum dollar amount required by the Rule, or, in the case of a broker or dealer operating pursuant to paragraph (a)(1)(ii) of the Rule, its net capital would be less than 8 percent of aggregate debit items computed in accordance with Exhibit A to Rule 15c3-3 under the Act or any successor rule as in effect at such time, or, if registered as a futures commission merchant, 120 percent of the Organization's risk-based capital requirement calculated in accordance with CFTC regulations in effect at the time, or the minimum capital requirement as defined by the DERO, if greater, or less than 120 percent of the minimum dollar amount required by paragraph (a)(1)(i) of the Rule.

9. NON-LIABILITY OF EXCHANGE

The Lender irrevocably agrees that the loan evidenced hereby is not being made in reliance upon the standing of the Organization as a member organization of the Exchange or upon the Exchange's surveillance of the Organization's financial position or its compliance with the Constitution, Rules and practices of the Exchange. The Lender has made such investigation of the Organization and its partners, officers, directors and stockholders as the Lender deems necessary and appropriate under the circumstances. The Lender is not relying upon the Exchange to provide any information concerning or relating to the Organization and agrees that the Exchange has no responsibility to disclose to the Lender any information concerning or relating to the Organization which it may now, or at any future time, have. The Lender agrees that neither the Exchange, its Special Trust Fund, nor any director, officer, trustee nor employee of the Exchange or said Trust Fund shall be liable to the Lender with respect to the agreement or the repayment of the loan evidenced hereby or of any interest thereon.

9. STATUS OF PROCEEDS

The proceeds hereof shall be dealt with in all respects as capital of the Organization, shall be subject to the risks of its business, and may be deposited in an account or accounts in the Organization's name in any bank or trust company.

10. FUTURES COMMISSION MERCHANTS

If the Organization is a futures commission merchant as that term is defined in the CEA, the Organization agrees, consistent with the requirements of Section 1.17(a) of the regulations of the CFTC (17 CFR 1.17(a)), that:

- (i) whenever prior written notice by the Organization to the Exchange is required pursuant to the provisions of this agreement, the same prior

written notice shall be given by the Organization to (i) the CFTC at its principal office in Washington, DC, Attention: Chief Accountant of Division of Trading and Markets, and (ii) the commodity exchange of which the Organization is a member and which is then designated by the CFTC as the Organization's designated self-regulatory organization (the "DSRO"), and

- (ii) whenever prior written consent, permission or approval of the Exchange is required pursuant to the provisions of this agreement, the Organization shall also obtain the prior written consent, permission or approval of the CFTC and/or of the DSRO, and
- (iii) whenever the Organization receives written notice of acceleration of maturity pursuant to the provisions of this agreement, the Organization shall promptly give written notice thereof to the CFTC at the address stated and/or to the DSRO.

11. DEFINITION OF ORGANIZATION

The term "Organization" as used in this agreement shall include the Organization, its heirs, executors, administrators, successors and assigns.

12. EFFECT OF EXCHANGE MEMBERSHIP TERMINATION

Upon termination of the Organization as a member organization of the Exchange, the references herein to the Exchange shall be deemed to refer to the Examining Authority. The term "Examining Authority" shall refer to the regulatory body having responsibility for inspecting or examining the Organization for compliance with financial responsibility requirements under Section 9(c) of SFA and Section 17(d) of the Act.

13. UPON WHOM BINDING

The provisions of this agreement shall be binding upon the Lender, his heirs, executors, administrators, successors and assigns and upon the Organization.

14. ARBITRATION

Any controversy arising out of or relating to this agreement shall be submitted to and settled by arbitration pursuant to the Constitution and Rules of the Exchange. The Organization and the Lender shall be conclusively bound by such arbitration.

15. EFFECTIVE DATE

This agreement shall be effective from the date on which it is approved by the Exchange and shall not be modified or amended without the prior written approval of the Exchange.

08/25/2005 14:44 LEHMAN + 916467582654

NO. 946 088

08/18/2005 15:28 LEHMAN + 916467582654

NO. 839 088

AUG-09-2005 16:38 FROM:YVONNE LARA, NEWYORK 212 556 1387 TO:LEHMAN BROTHERS P.11/12

16. ENTIRE AGREEMENT

This instrument embodies the entire agreement between the Organization and the Lender and no other evidence of such agreement has been or will be executed without the prior written consent of the Exchange.

17. GOVERNING LAW

This agreement shall be deemed to have been made under, and shall be governed by, the laws of the State of New York in all respects.

18. CANCELLATION

This agreement shall not be subject to cancellation by either party, unless the New York Stock Exchange agrees in writing to such cancellation 30 days in advance.

19. NO RIGHT OF SET-OFF

The Lender agrees that it is not taking and will not take or exercise security for the payment of the loan any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Organization, including property in which the Organization may have an interest, which is or may be in the possession or control of the Lender. The Lender hereby waives, and further agrees that it will not seek to obtain payment of the note in whole or in any part by exercising any right of set-off it may assert or possess whether created by contract, statute or otherwise. Any agreement between the organization and the Lender (whether in the nature of a general loan and collateral agreement, a security or pledge agreement or otherwise) shall be deemed amended hereby to the extent necessary so as not to be inconsistent with the provision of this paragraph.

20. Check this box if you wish to incorporate the following optional provision:

The Scheduled Maturity Date hereof in each year, without further action by either the Lender or Organization shall be extended an additional year, unless on or before the day immediately preceding the Scheduled Maturity Date then in effect, the Lender shall notify the Organization in writing, with a written copy to the New York Stock Exchange, Inc., that such Scheduled Maturity Date shall not be extended.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this 26th day of AUGUST, 2005

By William J. Busch

By [Signature]

08/26/2005 10:13 LEHMAN + 916467582654

NO. 555 010

08/25/2005 14:44 LEHMAN + 916467582654

NO. 546 009

08/18/2005 15:28 LEHMAN + 916467582654

NO. 535 009

LEHMAN BROTHERS INC.

LEHMAN BROTHERS HOLDINGS INC.

Name: William T. Burke

Name: Heidemarie U. Echtermann

Title: First Vice President
(Organization)

Title: Co-Treasurer
(Lender)

**Riders To
Amended and Restated Subordinated Loan Agreement – Cash
Dated August 26, 2005
Between Lehman Brothers Holdings Inc. and Lehman Brothers Inc.**

RIDER 1

The Lender and the Organization previously entered into a Subordinated Loan Agreement – Cash dated May 29, 2001, as amended on August 19, 2002, September 2, 2003, and November 20, 2003 (the “Original Agreement”). As of the date hereof, \$2,900,000,000 of loans are outstanding under the Original Agreement, all of which were made more than one year prior to the date hereof, as specified in Schedule A attached hereto (the “Existing Loans”). The Organization desires to borrow from the Lender an additional \$500,000,000 under the Original Agreement, thereby increasing the total loan amount to \$3,400,000,000. The New York Stock Exchange has revised its prescribed form of Subordinated Loan Agreement – Cash, and requires that the Original Loan Agreement be amended and restated in such form. The Lender and the Organization hereby agree that the Original Agreement is hereby amended and restated in its entirety as follows. For avoidance of doubt, the parties do not intend thereby to effect a novation or repayment of the Existing Loans, which shall remain outstanding, subject to the terms hereof.

RIDER 2

the rate per annum determined by the Lender in good faith as the Lender’s cost of funds necessary to maintain and fund this loan, but not to exceed one-month LIBOR plus 2.0%.

RIDER 3

(provided that the Existing Loans shall not be subject to such six-month limitation, but may be accelerated at any time, subject to the following)

RIDER 4

(provided that the Existing Loans shall not be subject to such one-year limitation, but may be prepaid at any time, subject to the following)

Schedule A to
Amended and Restated Subordinated Loan Agreement – Cash
Dated August 26, 2005
Between Lehman Brothers Holdings Inc. and Lehman Brothers Inc.

“Existing Loans”

<u>Date</u>	<u>Principal Amount Borrowed</u>	<u>Total Principal Amount</u>
May 29, 2001	\$800,000,000	\$ 800,000,000
August 29, 2002	\$800,000,000	\$1,600,000,000
September 15, 2003	\$800,000,000	\$2,400,000,000
November 25, 2003	\$500,000,000	\$2,900,000,000

AUTHORIZATION

Pursuant to authority delegated to me by the Amended and Restated Code of Authorities of Lehman Brothers Holdings Inc. (the "Corporation") and Lehman Brothers Inc. ("LBI"), as adopted by the Executive Committee of the Board of Directors (the "Executive Committee") of LBHI on July 6, 1999 and amended by the Executive Committee through July 1, 2004, the undersigned takes the following action:

WHEREAS, the Corporation proposes to loan \$500 million to LBI on a subordinated basis; and

WHEREAS, the undersigned has determined that such loan would not be given to LBI as a result of a materially adverse event or a significant new business undertaking and therefore does not require notification to the Executive Committee;

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation is hereby authorized to loan, directly or indirectly, on a subordinated basis, \$500 million to LBI; and

FURTHER RESOLVED, that the proper officers of the Corporation are each hereby authorized and directed to take and do and cause its subsidiaries to take and do, all actions and things, including the execution, delivery and filing of agreements and/or amendments thereto as well as any other instruments and documents as such officers deem necessary, appropriate or desirable to carry out the purpose and intent of the preceding resolution.

Dated: August 26, 2005



Heidemarie U. Echtermann
Co-Treasurer

**LEHMAN BROTHERS HOLDINGS INC.
LEHMAN BROTHERS INC.**

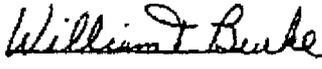
Assistant Secretary's Certificate

The undersigned, a duly qualified, elected and acting Assistant Secretary of Lehman Brothers Holdings Inc., a Delaware corporation (the "Corporation"), and of Lehman Brothers Inc., a Delaware corporation ("LBI"), does hereby certify that:

- (i) Attached hereto as Annex A is a true, correct and complete copy of resolutions adopted by unanimous written consent of the Executive Committee of the Board of Directors of the Corporation on July 1, 2004, adopting changes to the Amended and Restated Code of Authorities of the Corporation and LBI (the "Amended and Restated Authorities"); such resolutions are in full force and effect on the date hereof and have not been amended, modified or rescinded.
- (ii) Annex A includes a true, correct and complete copy of all relevant excerpts from the Amended and Restated Authorities pertaining to the making of subordinated loans by the Corporation to LBI; the provisions so excerpted are in full force and effect on the date hereof and have not been amended, modified or rescinded.
- (iii) Heidemarie U. Echtermann is the duly elected, qualified and acting Co-Treasurer of the Corporation and the signature appearing next to her name is her genuine signature:

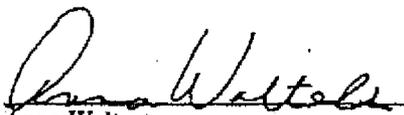
<u>Name</u>	<u>Title</u>	<u>Signature</u>
Heidemarie U. Echtermann	Treasurer	

- (iv) William T. Burke is a duly elected, qualified and acting First Vice President of LBI and the signature appearing next to his name is his genuine signature:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
William T. Burke	First Vice President	

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of August, 2005.

[SEAL]


Anna Walters
Assistant Secretary

ANNEX A

Resolutions adopted by unanimous written consent of the Executive Committee of the Board of Directors of the Corporation on July 1, 2004

WHEREAS, it is desirable and in the best interests of the Corporation to make certain changes to the Corporation's Amended and Restated Authorities to, among other things, grant approval authority to additional senior Finance and Treasury personnel for certain capital, dividend, loan, guaranty, indemnification and subsidiary organization transactions and commitments;

NOW, THEREFORE, be it

RESOLVED, that Exhibit 1 (Definitions/Rules of General Application) and Exhibit 3 (Investments in Subsidiaries, Guarantees and Indemnification) of the Amended and Restated Authorities of the Corporation and of Lehman Brothers Inc., adopted by this Committee on July 6, 1999, and amended by this Committee on March 21, 2002, are hereby amended and restated in their entirety to read as set forth in Exhibit A attached hereto; and be it further

RESOLVED, that the proper officers of the Corporation are hereby authorized, empowered and directed to do or cause to be done all such acts and things and to execute any and all such further documents as they may deem necessary or advisable in order to effect the purposes and intent of the foregoing.

Exhibit A to July 1, 2004 Unanimous Written Consent

EXHIBIT 1

DEFINITIONS

"ALM" means the Asset and Liability Management function within the Treasury Department.

"Authorized Person" means the individual, committee or other entity, or its functionally identical equivalent, authorized to approve a particular action.

"Board Executive Committee" means the Executive Committee of the Board of Directors of Holdings.

"Guaranty" includes any similar contingent liability, such as surety, bond, letter of credit, etc.

"Internal Executive Committee" means the committee consisting of members of senior management designated by the CEO of Holdings from time to time, and any successor committee thereto.

"Subsidiary" means any direct or indirect subsidiary of Holdings.

RULES OF GENERAL APPLICATION

- These Authorities apply to all specified transactions and commitments by Holdings and its Subsidiaries.
- If the required approval is obtained, any proper officer of Holdings or LBI or the relevant other Subsidiary, as the case may be, may sign documents. Additional corporate action by Subsidiaries other than LBI may be required to authorize the commitment or transaction before documents can be signed by officers of such entities.
- Dollar limits include total costs, expenses and capital infusions, whether incurred at the time of the action or anticipated to be incurred in the future, and include the equivalent in any foreign currency for transactions so denominated.
- References to specific officer titles are to the officers of Holdings, except where otherwise noted.

References to Subsidiaries in the Americas, Europe or Asia are to Subsidiaries incorporated or organized in the specified management region.

Exhibit A to July 1, 2004 Unanimous Written Consent

EXHIBIT 3

INVESTMENTS IN SUBSIDIARIES, GUARANTIES AND INDEMNIFICATION

<u>Type of Commitment</u>	<u>Dollar Amount</u>	<u>Approval Required</u>
3. Subordinated or unsubordinated, secured or unsecured loan***:		
<ul style="list-style-type: none"> • by Holdings to a Subsidiary 	Any amount	<p>CEO, President, COO, CFO, Treasurer, Controller</p>
<ul style="list-style-type: none"> • by any Subsidiary to another Subsidiary 	Any amount	<p>CEO, President, COO, CFO, Treasurer, Controller, or</p> <ol style="list-style-type: none"> 1. for lending Subsidiaries in the Americas, Global Head of ALM or Assistant Controller, or 2. for lending Subsidiaries in Europe, International CFO, International Treasurer or Controller for Europe, or 3. for lending Subsidiaries in Asia, International CFO, CFO for Asia, International Treasurer or Treasurer for Asia

*** In addition, the Board Executive Committee must be notified of any material amount being loaned to a Subsidiary as a result of a materially adverse event or a significant new business undertaking.

FIRST AMENDMENT TO
AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT—CASH

First Amendment to Amended and Restated Subordinated Loan Agreement—Cash, dated as of August 29, 2006 (this "First Amendment"), between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Organization").

WHEREAS, the Lender and the Organization previously entered into an Amended and Restated Subordinated Loan Agreement—Cash dated August 26, 2005 (the "2005 Agreement"); and

WHEREAS, as of the date hereof, \$3,400,000,000 of loans are outstanding under the 2005 Agreement, all of which were made more than one year prior to the date hereof, as specified in Schedule A attached hereto (the "Existing Loans"); and

WHEREAS, the Organization desires to borrow from the Lender an additional \$500,000,000 under the 2005 Agreement, thereby increasing the total loan amount to \$3,900,000,000;

NOW, THEREFORE, the Lender and the Organization hereby agree as follows:

The 2005 Agreement is hereby amended so that the loan amount set forth in Section 1 of the 2005 Agreement is changed from \$3,400,000,000 to \$3,900,000,000.

For avoidance of doubt, the parties do not intend thereby to effect a novation or repayment of the Existing Loans, which shall remain outstanding, subject to the terms of the 2005 Agreement, as amended hereby.

The Lender represents and warrants that any loan pursuant to the 2005 Agreement, as amended by this First Amendment, is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

This First Amendment shall be deemed a part of the 2005 Agreement, which in all other respects is hereby ratified and confirmed.

This First Amendment may be signed in counterparts.

LEHMAN BROTHERS INC.

LEHMAN BROTHERS HOLDINGS INC.

By: 
Anthony Stucchio
Senior Vice President

By: _____
Heidemarie U. Echtermann
Global Co-Treasurer

FIRST AMENDMENT TO
AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT—CASH

First Amendment to Amended and Restated Subordinated Loan Agreement—Cash, dated as of August 29, 2006 (this "First Amendment"), between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Organization").

WHEREAS, the Lender and the Organization previously entered into an Amended and Restated Subordinated Loan Agreement—Cash dated August 26, 2005 (the "2005 Agreement"); and

WHEREAS, as of the date hereof, \$3,400,000,000 of loans are outstanding under the 2005 Agreement, all of which were made more than one year prior to the date hereof, as specified in Schedule A attached hereto (the "Existing Loans"); and

WHEREAS, the Organization desires to borrow from the Lender an additional \$500,000,000 under the 2005 Agreement, thereby increasing the total loan amount to \$3,900,000,000;

NOW, THEREFORE, the Lender and the Organization hereby agree as follows:

The 2005 Agreement is hereby amended so that the loan amount set forth in Section 1 of the 2005 Agreement is changed from \$3,400,000,000 to \$3,900,000,000.

For avoidance of doubt, the parties do not intend thereby to effect a novation or repayment of the Existing Loans, which shall remain outstanding, subject to the terms of the 2005 Agreement, as amended hereby.

The Lender represents and warrants that any loan pursuant to the 2005 Agreement, as amended by this First Amendment, is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

This First Amendment shall be deemed a part of the 2005 Agreement, which in all other respects is hereby ratified and confirmed.

This First Amendment may be signed in counterparts.

LEHMAN BROTHERS INC.

LEHMAN BROTHERS HOLDINGS INC.

By: _____
Anthony Stucchio
Senior Vice President

By: 
Heidemarie U. Echtermann
Global Co-Treasurer

Schedule A to
First Amendment to
Amended and Restated Subordinated Loan Agreement - Cash
Dated August 29, 2006
Between Lehman Brothers Holdings Inc. and Lehman Brothers Inc.

“Existing Loans”

<u>Date</u>	<u>Principal Amount Borrowed</u>	<u>Total Principal Amount</u>
May 29, 2001	\$800,000,000	\$ 800,000,000
August 29, 2002	\$800,000,000	\$1,600,000,000
September 15, 2003	\$800,000,000	\$2,400,000,000
November 25, 2003	\$500,000,000	\$2,900,000,000
August 26, 2005	\$500,000,000	\$3,400,000,000

SECOND AMENDMENT TO
AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT—CASH

Second Amendment to Amended and Restated Subordinated Loan Agreement—Cash, dated as of February 15, 2008 (this “Second Amendment”), between Lehman Brothers Holdings Inc. (the “Lender”) and Lehman Brothers Inc. (the “Organization”).

WHEREAS, the Lender and the Organization previously entered into an Amended and Restated Subordinated Loan Agreement—Cash dated August 26, 2005, as amended by a First Amendment to Amended and Restated Subordinated Loan Agreement—Cash, dated as of August 29, 2006 (the “Loan Agreement”); and

WHEREAS, as of the date hereof, \$3,900,000,000 of loans are outstanding under the Loan Agreement, all of which were made more than one year prior to the date hereof, as specified in Schedule A attached hereto (the “Existing Loans”); and

WHEREAS, the Organization desires to borrow from the Lender an additional \$300,000,000 under the Loan Agreement, thereby increasing the total loan amount to \$4,200,000,000;

NOW, THEREFORE, the Lender and the Organization hereby agree as follows:

The Loan Agreement is hereby amended so that the loan amount set forth in Section 1 of the Loan Agreement is changed from \$3,900,000,000 to \$4,200,000,000.

For avoidance of doubt, the parties do not intend thereby to effect a novation or repayment of the Existing Loans, which shall remain outstanding, subject to the terms of the Loan Agreement, as amended hereby.

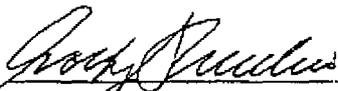
The Lender represents and warrants that any loan pursuant to the Loan Agreement, as amended by this Second Amendment, is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

This Second Amendment shall be deemed a part of the Loan Agreement, which in all other respects is hereby ratified and confirmed.

This Second Amendment may be signed in counterparts.

LEHMAN BROTHERS INC.

LEHMAN BROTHERS HOLDINGS INC.

By: 

Anthony Stucchio
Senior Vice President


Paolo Tonucci
Treasurer

Schedule A to
Second Amendment to
Amended and Restated Subordinated Loan Agreement – Cash
Dated February 15, 2008
Between Lehman Brothers Holdings Inc. and Lehman Brothers Inc.

“Existing Loans”

<u>Date</u>	<u>Principal Amount Borrowed</u>	<u>Total Principal Amount</u>
May 29, 2001	\$800,000,000	\$ 800,000,000
August 29, 2002	\$800,000,000	\$1,600,000,000
September 15, 2003	\$800,000,000	\$2,400,000,000
November 25, 2003	\$500,000,000	\$2,900,000,000
August 26, 2005	\$500,000,000	\$3,400,000,000
August 29, 2006	\$300,000,000	\$3,900,000,000

AUTHORIZATION

Pursuant to authority delegated to me by the Amended and Restated Code of Authorities of Lehman Brothers Holdings Inc. (the "Corporation") and Lehman Brothers Inc. ("LBI"), as adopted by the Executive Committee of the Board of Directors (the "Executive Committee") of LBHI on July 6, 1999 and amended by the Executive Committee through July 1, 2004, the undersigned takes the following action:

WHEREAS, the Corporation proposes to loan \$500 million to LBI on a subordinated basis; and

WHEREAS, the undersigned has determined that such loan would not be given to LBI as a result of a materially adverse event or a significant new business undertaking and therefore does not require notification to the Executive Committee;

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation is hereby authorized to loan, directly or indirectly, on a subordinated basis, \$500 million to LBI; and

FURTHER RESOLVED, that the proper officers of the Corporation are each hereby authorized and directed to take and do and cause its subsidiaries to take and do, all actions and things, including the execution, delivery and filing of agreements and/or amendments thereto as well as any other instruments and documents as such officers deem necessary, appropriate or desirable to carry out the purpose and intent of the preceding resolution.

Dated: August 29, 2006



Heidemarie U. Echtermann
Co-Treasurer

FIRST AMENDMENT TO
AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT—CASH

First Amendment to Amended and Restated Subordinated Loan Agreement—Cash, dated as of August 29, 2006 (this "First Amendment"), between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Organization").

WHEREAS, the Lender and the Organization previously entered into an Amended and Restated Subordinated Loan Agreement—Cash dated August 26, 2005 (the "2005 Agreement"); and

WHEREAS, as of the date hereof, \$3,400,000,000 of loans are outstanding under the 2005 Agreement, all of which were made more than one year prior to the date hereof, as specified in Schedule A attached hereto (the "Existing Loans"); and

WHEREAS, the Organization desires to borrow from the Lender an additional \$500,000,000 under the 2005 Agreement, thereby increasing the total loan amount to \$3,900,000,000;

NOW, THEREFORE, the Lender and the Organization hereby agree as follows:

The 2005 Agreement is hereby amended so that the loan amount set forth in Section 1 of the 2005 Agreement is changed from \$3,400,000,000 to \$3,900,000,000.

For avoidance of doubt, the parties do not intend thereby to effect a novation or repayment of the Existing Loans, which shall remain outstanding, subject to the terms of the 2005 Agreement, as amended hereby.

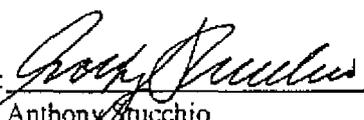
The Lender represents and warrants that any loan pursuant to the 2005 Agreement, as amended by this First Amendment, is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

This First Amendment shall be deemed a part of the 2005 Agreement, which in all other respects is hereby ratified and confirmed.

This First Amendment may be signed in counterparts.

LEHMAN BROTHERS INC.

LEHMAN BROTHERS HOLDINGS INC.

By: 
Anthony Stucchio
Senior Vice President

By: _____
Heidemarie U. Echtermann
Global Co-Treasurer

FIRST AMENDMENT TO
AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT—CASH

First Amendment to Amended and Restated Subordinated Loan Agreement—Cash, dated as of August 29, 2006 (this "First Amendment"), between Lehman Brothers Holdings Inc. (the "Lender") and Lehman Brothers Inc. (the "Organization").

WHEREAS, the Lender and the Organization previously entered into an Amended and Restated Subordinated Loan Agreement—Cash dated August 26, 2005 (the "2005 Agreement"); and

WHEREAS, as of the date hereof, \$3,400,000,000 of loans are outstanding under the 2005 Agreement, all of which were made more than one year prior to the date hereof, as specified in Schedule A attached hereto (the "Existing Loans"); and

WHEREAS, the Organization desires to borrow from the Lender an additional \$500,000,000 under the 2005 Agreement, thereby increasing the total loan amount to \$3,900,000,000;

NOW, THEREFORE, the Lender and the Organization hereby agree as follows:

The 2005 Agreement is hereby amended so that the loan amount set forth in Section 1 of the 2005 Agreement is changed from \$3,400,000,000 to \$3,900,000,000.

For avoidance of doubt, the parties do not intend thereby to effect a novation or repayment of the Existing Loans, which shall remain outstanding, subject to the terms of the 2005 Agreement, as amended hereby.

The Lender represents and warrants that any loan pursuant to the 2005 Agreement, as amended by this First Amendment, is made for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof.

This First Amendment shall be deemed a part of the 2005 Agreement, which in all other respects is hereby ratified and confirmed.

This First Amendment may be signed in counterparts.

LEHMAN BROTHERS INC.

LEHMAN BROTHERS HOLDINGS INC.

By: _____
Anthony Stucchio
Senior Vice President

By: 
Heidemarie U. Echtermann
Global Co-Treasurer

Schedule A to
First Amendment to
Amended and Restated Subordinated Loan Agreement - Cash
Dated August 29, 2006
Between Lehman Brothers Holdings Inc. and Lehman Brothers Inc.

"Existing Loans"

<u>Date</u>	<u>Principal Amount Borrowed</u>	<u>Total Principal Amount</u>
May 29, 2001	\$800,000,000	\$ 800,000,000
August 29, 2002	\$800,000,000	\$1,600,000,000
September 15, 2003	\$800,000,000	\$2,400,000,000
November 25, 2003	\$500,000,000	\$2,900,000,000
August 26, 2005	\$500,000,000	\$3,400,000,000

IV.

LEHMAN BROTHERS INC.

INTRODUCING BROKER AGREEMENT

THIS AGREEMENT is made and entered into as of this ___ day of _____ by and between Lehman Brothers Inc. ("LBI"), a Delaware corporation, and Lehman Brothers OTC Derivatives Inc. ("LOTC"), a Delaware corporation.

1. *Basic Services*

Subject to the approval of the New York Stock Exchange, Inc. (the "NYSE"), from the opening of business on or about _____ until the termination of this Agreement as provided for in Paragraph 13 hereof, Introducing Broker will carry the accounts of the customers introduced by LBI to LOTC, and accepted by LOTC, and will clear transactions on a fully disclosed basis for such accounts, all as more specifically provided in Paragraph 3 hereof and subject to the terms and conditions hereinafter set forth.

LBI will submit this Agreement to the New York Stock Exchange, Inc. ("NYSE") promptly following execution and will notify LOTC promptly upon the receipt of such approval.

2. *Representations and Warranties*

(a) LOTC represents and warrants that:

LOTC is duly registered and in good standing as an OTC Derivatives Dealer with the Securities and Exchange Commission ("SEC") and is a member firm in good standing of the National Association of Securities Dealers, Inc. ("NASD") and, if required, the Municipal Securities Rulemaking Board ("MSRB").

LOTC has all requisite authority, whether arising under applicable federal or state laws or the rules and regulations of any securities exchange or regulatory authority to which LOTC is subject, to enter into this Agreement and to retain the services of LBI in accordance with the terms hereof; and

LOTC and each of its employees, are, and during the term of this Agreement will be, as applicable, in compliance with the registration, qualification, capital, financial reporting, customer protection, sales and trading practices and other requirements of every securities exchange of which LOTC is a member, the NASD, the MSRB, the SEC and every State to which jurisdiction LOTC and each of its employees are subject.

All corporate actions necessary for LOTC to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby have been duly and properly taken. This Agreement has been duly and validly executed and delivered and constitutes the legal, valid and binding obligation of LOTC, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency or other laws of general application affecting the

enforcement of creditors' rights, and except as the availability of equitable remedies may rest within the discretion of the court.

(b) LBI represents and warrants that:

LBI is duly registered and in good standing as a broker-dealer with the SEC and is a member firm in good standing of the NASD, the MSRB, the NYSE, and other principal securities exchanges.

LBI has all requisite authority, whether arising under applicable federal state laws or the rules and regulations of any securities exchange or regulatory authority to which LBI is subject, to enter into this Agreement and to perform the services set forth herein in accordance with the terms hereof; and

LBI is and during the term of this Agreement will be in substantial compliance with the registration, qualification, capital, financial reporting, customer protection and other requirements of every securities exchange of which LBI is a member, the NASD, the MSRB, the SEC, and every State to which jurisdiction LBI and each of its employees are subject.

All corporate actions necessary for LBI to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby have been duly and properly taken. This Agreement has been duly and validly executed and delivered and constitutes the legal, valid and binding obligation of LBI, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor' rights and except as the availability of equitable remedies may rest within the discretion of the court.

The names and addresses of LOTC's customers which have or which may come to the attention of LBI in connection with the carrying, clearing and related functions it has assumed under this Agreement are confidential and shall not be utilized by LBI except in connection with the functions performed by LBI pursuant to the Agreement.

3. *Services to Be Performed by LBI*

LBI shall carry LOTC customers' cash and margin accounts introduced to LOTC on a fully disclosed basis and perform the following services:

- (a) Accept, transmit and execute transactions in LOTC customers' accounts as agent or with customers as principal and release or deposit money or securities to or for the applicable accounts;
- (b) Perform best execution analysis for transactions effected at LBI in accordance with applicable regulations;

- (b) Prepare and coordinate the mailing of transaction confirmations of transactions and prepare and coordinate the mailing of summary monthly or quarterly statements to LOTC customers on forms disclosing that the applicable account is carried with LOTC and cleared by LBI;
- (c) Settle such transactions in securities as described in Paragraph 3(a) and 3(b) above;
- (d) Perform cashiering functions for such customers' accounts, including receipt and delivery of securities purchased, sold, borrowed, and loaned; make and receive payments therefor; provide custody and safekeeping of securities and cash; and handle margin accounts, process error corrections, dividends, distributions and exchanges, and rights and tender offers with respect to such securities;
- (e) Mail to each customer a copy of the Notice to Customers as required by NYSE Rule 382(c);
- (f) Maintain prescribed books and records of all transactions executed or cleared through it as required by any applicable law or regulation.
- (g) Perform a computation for any proprietary account of LOTC and maintain a special PAIB (proprietary account of introducing broker) reserve account in accordance with the customer reserve computation prescribed in Rule 15c3-3 under the Securities Exchange Act of 1934 and modifications to Rule 15c3-3 in the November 3, 1998 SEC No-Action Letter pertaining to PAIB.

5. *Duties, Obligations and Responsibilities of LOTC*

(a) Information to be supplied by LOTC:

LOTC will provide LBI with such data and documents, including (without limitation) copies of records of any receipts of customers' funds and securities received directly by LOTC as shall be reasonably necessary or appropriate to permit LBI to discharge its service obligations hereunder. In all cases, such data and documents must be compatible with the requirements of LBI's bookkeeping system. In addition, LOTC will furnish LBI on forms which have been approved by LBI, with such corporate resolutions, trading authorizations and other account documentation as are reasonably required by LBI for the opening and carrying of customer accounts. All accounts shall be opened in accordance with LBI's reasonable requirements, and the acceptance of or opening of an account without such requirements being fulfilled shall not be deemed to be a waiver of such requirements. A duly authorized principal executive officer of LOTC will approve in writing the opening of each customer's account. LOTC shall be responsible for maintaining proper customer addresses, and LBI may for all purposes rely on such addresses as they are furnished by LOTC.

(b) Receipt of money and securities:

In all cash accounts, LOTC shall be responsible for purchases for customers until actual and complete payment therefor has been received by LBI and, in the case of checks representing such payment received by LBI, LOTC shall be responsible until such checks shall have been paid and the proceeds actually received and credited to LBI by LBI's bank. LBI agrees to use due diligence in depositing such checks promptly.

LOTC shall be responsible for sales for customers until acceptable deliveries to LBI of the applicable securities have been made. LOTC agrees to transfer promptly to LBI funds and securities received by LOTC from its customers, together with such information as may be relevant or necessary to enable LBI to record such remittances and receipts in the respective customer accounts in a proper and timely manner. LOTC shall arrange for timely settlement of "delivery versus payment" transactions and shall not introduce any retail or individual accounts requiring settlement on a "delivery vs. payment" or, "receive versus payment" basis without the prior written approval of LBI. LOTC shall use its best efforts to obtain each customer's agreement to accept "partial deliveries" and to abide by other clearance arrangements as may be directed by the NYSE, the American Stock Exchange, Inc., or the NASD.

LBI may, in its discretion, give prior oral or written notice to LOTC and to any customer of failure to make timely settlement and of LBI's intention to take remedial action. In the case of the purchase or sale of securities "when issued" or where distribution or delivery is otherwise delayed in an account other than a margin account, LOTC shall be responsible for the transaction until necessary and satisfactory margin has been received by LBI, including, without limitation, any mark-to-market margin required by LBI.

With respect to any settlements which involve the drafting of securities, draft charges, including interest expense, will be borne by LOTC. Interest costs on settling in locations not herein specified will be borne as LBI and LOTC may mutually agree in writing.

(c) Communications with customers:

LOTC and LBI each agree to promptly forward to the other any written complaint received from a customer that involves a function the other has undertaken to perform.

(d) Duties of LOTC with respect to customers:

LOTC shall be responsible for obtaining all of the essential facts relative to every customer, every cash or margin account, every order, and every person holding power of attorney over any account introduced by LOTC. LOTC also shall be responsible for the conduct of customer accounts and the supervision thereof, including but not limited to, assessing the suitability of a transaction for the customer when required under applicable rules; the authenticity of all orders, signatures and endorsements; the frequency of trading by a customer; the genuineness of all signatures, certificates and papers; the status under the Securities Act of 1933 of securities proposed to be sold or margined by a customer; and reviewing the accounts for manipulative practices, insider trading, compliance with all federal, state, securities exchange, NASD and other rules and regulations to which

LOTC is subject and all other matters required of a broker/dealer by law or by customary practice in the industry.

LOTC undertakes to comply with Rule 405 (1), (2) and (3) of the NYSE (a copy of which has been attached hereto as Exhibit B) as if it were a member organization of the NYSE and with all other applicable rules or regulations of regulatory or self-regulatory organizations having jurisdiction over LOTC and to diligently supervise compliance through the use of a compliance manual or other written procedures. It is understood that LOTC will establish adequate procedures regarding Rule 405 and all other applicable rules and regulations and will at all times conduct its operations in accordance therewith.

LOTC warrants that the customers introduced to LBI by LOTC shall in fact be the owners of accounts opened by LBI in their names, and that any orders and instructions given by LOTC or any of LOTC's employees shall have been previously fully and properly authorized.

Prior to effecting transactions in listed options for any of its customers, LOTC will deliver to each applicable customer a current prospectus of the Options Clearing Corporation, together with any effective supplements thereto. LOTC will take all appropriate steps to assure that customers engaging in options trading, whether such options are listed on any exchange or traded over the counter, are sophisticated investors, fully aware of the risks involved, and that option trading is suitable for such customers. LOTC will comply in all respects with LBI's options compliance program, including the obtaining of information, written approval of option accounts by the Senior Registered Options Principal of LOTC, and execution of forms required by LBI. LBI shall not be required to endorse any put or call options for any account unless the account is satisfactory to LBI.

This agreement places the responsibility for "knowing the customer" and "suitability" on LOTC. It permits LBI to satisfy itself, for its own benefit, that LOTC has the ability to comply and has complied with the requirements of Rule 405 of the NYSE and comparable requirements of similar rules of any other regulatory or self-regulatory organization to which LOTC belongs.

It is understood that the preparation and possession of surveillance records or any new data, including exception reports, by LBI on behalf of or for the use of LOTC shall neither obligate LBI to review such material nor make LBI responsible to know its contents.

LBI will use commercially reasonable efforts to diligently perform the clearing services provided for in this Agreement, in accordance with the terms hereof, as it may be amended from time to time, in a prompt and efficient manner.

For purposes of the SEC's financial responsibility rules and the Securities Investor Protection Act, LOTC's customers will be considered customers of LBI and not customers of LOTC. Nothing herein shall cause LOTC's customers to be construed or

interpreted as customers of LBI for any other purpose, or to negate the intent of any other section of this Agreement, including, but not limited to, the delineation of responsibilities as set forth in this Agreement.

(e) **Financial Data**

LOTC will furnish LBI a copy of all FOCUS Reports and other financial documentation at the same time LOTC files such with its designated examining authority and will furnish LBI with such other information and reports relating to LOTC's financial integrity as LBI may request from time to time.

- (f) LOTC shall make and maintain reports, records and regulatory filings required by law, rule or regulation to be made and maintained by LOTC.

6. ***Exception Reports and Customer Complaints***

LBI, at the commencement of this Agreement and annually thereafter, shall furnish to LOTC a list of all reports (*i.e.*, exception and other types of reports) which it offers to LOTC to assist LOTC in supervising and monitoring LOTC's customer accounts in order for LOTC to carry out its functions and responsibilities pursuant to this Agreement. LOTC shall notify LBI promptly, in writing, of those specific reports offered by LBI that it requires to supervise and monitor its customer accounts.

Annually, within thirty (30) days of July 1 of each calendar year, LBI shall give written notice to LOTC's chief executive officer and compliance officer, indicating as of the date of such notice, a list of reports offered to LOTC and specifying those reports that were actually requested by and/or supplied to LOTC as of such date. A copy of this written notice shall be provided by LBI at the same time to LOTC's designated examining authority.

Any written complaint from a customer received by LBI regarding LOTC or any of its employees shall be promptly forwarded by LBI, via U.S. mail and, at LBI's discretion, facsimile transmission, to LOTC and to LOTC's designated examining authority.

Contemporaneous with forwarding any such written complaint to LOTC and LOTC's designated examining authority, LBI shall notify the customer in writing of the receipt of the complaint, and that the complaint has been forwarded to LOTC and LOTC's designated examining authority for handling.

Other Obligations and Responsibilities of LOTC

LOTC shall notify LBI immediately, orally and in writing if it becomes subject to a disciplinary action, suspension or restriction by any governmental or quasi-governmental agency, stock exchange, or regulatory or self-regulatory organization having jurisdiction over LBIL or its business. LBIL shall also provide LBI with a copy of any decision relating to such suspension or restriction. LBI may take any action it reasonably deems

to be necessary (i) to assure that it will continue to comply with all applicable legal, regulatory, and self-regulatory requirements, notwithstanding such action, suspension or restriction, and (ii) to comply with any requests, directives, or demands made upon LBI by any governmental or quasi-governmental agency, stock exchange, or regulatory or self-regulatory organization.

8. *Security Interests*

If (i) LBI shall have any claim against LBIL or a customer of LBIL which has not been resolved within two business days after LBI presents such claim to LBIL, or (ii) if LBI shall suffer any loss or incur any expense for which it is entitled to be indemnified pursuant to this Agreement and LBIL shall fail to make such indemnification within five business days after being requested to do so, LBI shall deduct the amount of such claim, loss or expense from the commissions then credited to LBIL pursuant to Paragraph 9. If the amount of said commissions is less than the amount of such claim, loss or expense, LBI shall have the right to debit any cash balance in any proprietary accounts maintained by LBIL with LBI and/or liquidate any securities or commodities held in any such account and apply the proceeds against LBIL's obligation to LBI. To facilitate any such liquidation, LBIL agrees that LBI shall have a lien upon and security interest in all of LBIL's property, including but not limited to securities, commodity futures contracts, commercial paper and cash, held by LBI in any such proprietary account maintained by LBIL with LBI. This provision shall survive the termination of this Agreement, thereby extending the right to any lien and security interest until such time as, in the sole discretion of LBI, security for the repayment of LBIL's obligations is no longer required.

9. *Commission Payments*

- (a) LOTC shall determine the mark-up, mark-down or commission to be charged on each transaction and shall advise LBI of the same.
- (b) Mark-ups, mark-downs or commissions charged LOTC's customers shall be collected by LBI and credited to LOTC, after deducting LBI's compensation determined in accordance with Paragraph 10 hereof. Such mark-ups, mark-downs or commissions shall be remitted to LOTC within 10 days after the final settlement date of each transaction or, in the case of repurchase agreement fees, at the end of each month.

10. *Margin Accounts*

In all Accounts which are margin accounts, LOTC shall be responsible for its clients satisfying the initial margin requirements for each transaction until such initial margin has been received by LBI in acceptable form and for satisfying all maintenance margin calls as required by LBI. LOTC will be responsible for customers paying off any deficiencies in all Accounts, which are unsecured or inadequately margined, and for securing customer payment of debits resulting from customer defaults. LBI shall be responsible for determining, in compliance with Regulation T of the Federal Reserve Board of Governors and the rules of the applicable self-regulatory organizations, what is

adequate and proper margin maintenance in any Account which is a margin account, including, in its sole discretion, any application for an extension of time for any Account to make any payment required by Regulation T. It is understood that Accounts shall be required to maintain a minimum margin maintenance percentage that may be changed from time to time in accordance with market conditions. LOTC shall endeavor to notify its customers immediately and promptly provide LBI with adequate protection either in cash or securities. In the event that satisfactory margin is not provided within the time specified by LBI, it shall be at liberty to take such action, as LBI may in its judgment deem best.

LBI reserves the right at its discretion to contact the LOTC customer for margin funds and to refuse any transaction in any Account which is a margin account after the initial transaction when in its opinion the past history of such Account will not justify the risk of executing such new transactions before the actual receipt of the necessary margin. If at any time an officer, manager, or employee of the LOTC requests that LBI refrain from contemplated actions such as "sell-outs", "buy-ins" or the sending of margin notices, and LBI complies with such request either in full or in part, LOTC agrees to indemnify LBI for any loss including interest and reasonable attorney's fees which may occur as a result of LBI complying with this request.

In connection with all securities and funds under LBI's possession and control, LBI will be responsible for meeting the segregation and hypothecation requirements and client fund requirements set forth in the regulations of the SEC as well as those of any exchange. Securities and funds will be held with LBI or deposited by LBI in accordance with the procedures set forth in such rules and regulations.

11. *Responsibilities and Rights of LBI*

LBI will maintain appropriate books and records of all transactions executed or cleared through it. LBI also undertakes to perform in good faith the services agreed to in this Agreement, but shall not be bound to make any investigation into the facts surrounding any transaction that it may have with LOTC or LOTC's customers or other persons, nor shall LBI be under any responsibility for compliance by LOTC with any laws, rules or regulations which may be applicable to LOTC.

12. *Construction of Agreement*

Neither this Agreement nor the performance of the services hereunder shall be considered to create a general or limited partnership, association or joint venture or agency relationship between LBI and LOTC or between LOTC and other brokers for whom LBI may perform the same or similar service.

During the term of this Agreement, LOTC will not enter into any other similar agreement with, or obtain the services contemplated by this Agreement from, any other party.

13. *Termination*

The term of this Agreement shall begin on the date first set forth above and shall continue until terminated. This Agreement may be terminated by either party without cause upon 10 days' prior written notice. If either party defaults in the performance of its obligations under this Agreement, or otherwise violates the provisions of the Agreement, the non-defaulting party may terminate this Agreement by delivering written notice to the defaulting party (i) specifying the nature of the default and (ii) notifying the defaulting party that unless the default is cured within a period of 10 days from receipt of the notice, this Agreement will be terminated without further proceedings by the non-defaulting party.

14. *Action against Customers*

LBI shall have the right, after notice to LOTC, to institute and prosecute in its name, any action or proceeding against any of LOTC's customers as to any controversy or claim arising out of LBI's transactions with LOTC or with LOTC's customers, and nothing contained in this Agreement shall be deemed or construed to impair or prejudice such right in any way whatsoever, nor shall the institution or prosecution of any such action or proceeding relieve LOTC of any liability or responsibility which LOTC would otherwise have had under this Agreement. LOTC shall assign to LBI its rights against its customers to the extent requested by LBI and necessary to carry out the intent of this Paragraph.

15. *Notices*

Any notice or request required or permitted to be given under this Agreement shall be sufficient if in writing and sent by hand or by certified mail, in either case, return receipt requested, to the parties.

16. *Amendments*

This Agreement may be changed only in writing and such amendments must be signed by both LBI and LOTC.

17. *Exchange and SRO Regulation*

The parties acknowledge they will be subject to the rules of the NYSE, the NASD, the American Stock Exchange, Inc. and any other securities exchanges or associations of which either party is or may become a member, and of any governmental agencies to whose jurisdiction either party may be subject.

18. *Assignment*

This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of LOTC and LBI. LOTC consents to the assignment of the rights and obligations of LBI hereunder to any successor or assign of LBI. Assignment of the

rights and obligations of LOTC hereunder requires the prior written consent of LBI or its successors and assigns.

19. *Governing Law*

This Agreement and all transactions hereunder shall be governed by the internal laws of the State of New York without giving effect to the conflict of law principles thereof.

20. *Compensation*

LBI shall receive such compensation from LOTC as may be mutually agreed upon in connection with the transactions contemplated by this Agreement.

21. *Further Instruments*

LBI and LOTC will take such action to execute such documents as may be required to carry out the transactions contemplated by this Agreement.

22. *Entire Agreement*

This Agreement, including schedules and exhibits hereto, which are integral parts hereof and incorporated as though set forth in full, constitutes the entire agreement between the parties pertaining to the subject matter hereof superseding any and all prior or contemporaneous oral or prior written agreements, proposals, letters of intent and understandings.

23. *Counterparts*

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

24. *Headings*

The headings in the Sections and Paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof.

25. *Severability*

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remaining provisions.

IN WITNESS WHEREOF the parties have hereunto set their hands the day and year first above written.

LEHMAN BROTHERS OTC DERIVATIVES INC.

By:

Name:
Title:

LEHMAN BROTHERS INC.

By:

Name:
Title:

V.

SECURITIES ACCOUNT CONTROL AGREEMENT

Securities Account Control Agreement, dated as of May 11, 2005, between Lehman Brothers OTC Derivatives Inc. (the "Secured Party") and Lehman Brothers Inc., as custodian (the "Custodian"). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York.

WHEREAS, the Secured Party has entered into various agreements governing derivative, capital markets, lending and other transactions with various counterparties, including, without limitation, the counterparties listed on Schedule I (each such agreement, an "Underlying Agreement");

WHEREAS, each Underlying Agreement requires the counterparty thereto (referred to individually as a "Debtor"; referred to collectively as the "Debtors") to post margin, credit support, or other collateral for the benefit of the Secured Party;

WHEREAS, such property has been credited by book-entry by the Custodian to various accounts, including, without limitation, the accounts identified on Schedule I (referred to individually as an "Account"; referred to collectively as the "Accounts"); and

WHEREAS, the Custodian and the Secured Party wish to enter into this Agreement to ensure the perfection and priority of the Secured Party's security interest in the Accounts and the property credited thereto.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Establishment of Accounts. (a) The Custodian has established the Accounts, each identified as held in trust for the benefit of the Secured Party as "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC), and each to be maintained as a segregated account by the Custodian.

(b) The Custodian hereby confirms and agrees that:

(i) The Custodian is a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC);

(ii) The Custodian shall not change the name or account number of any Account without the prior written consent of the Secured Party;

(iii) All securities or other property in the form of an instrument or security underlying any financial asset credited to an Account shall, as applicable, be registered in the name of the Custodian, endorsed to the Custodian or in blank or credited to another securities account maintained in the name of the Custodian, and in no case will any financial asset credited to any Account be registered in the name of a Debtor, payable to

the order of a Debtor or specially endorsed to a Debtor, except to the extent the foregoing have been specially endorsed to the Custodian or in blank;

(iv) All financial assets and funds delivered to the Custodian pursuant to an Underlying Agreement will be promptly credited to the appropriate Account; and

(v) Each Account is an account to which financial assets and funds are or may be credited.

Section 2. “Financial Assets” Election. The Custodian hereby agrees that each item of property (whether investment property, a financial asset, a certificated security, an uncertificated security, a security entitlement, an instrument, an option, funds, cash balances or money) credited to any Account shall be treated as a “financial asset” (within the meaning of Section 8-102(a)(9) of the UCC).

Section 3. Entitlement Orders. (a) If at any time the Custodian shall receive any “entitlement order” (within the meaning of Section 8-102(a)(8) of the UCC) or other instruction from the Secured Party, including without limitation directing the transfer or redemption of any financial asset credited to any Account, the Custodian shall comply with such entitlement order or instruction without further consent by any Debtor or any other person.

(b) If the Secured Party instructs the Custodian that it is exercising exclusive control over one or more Accounts, the Custodian shall cease complying with the related Debtor’s (or Debtors’) entitlement orders and other instructions with respect thereto.

Section 4. Changes in Identity of Debtors. Promptly upon (i) the execution of a derivatives, capital markets or lending agreement with a counterparty not previously identified on Schedule I or (ii) the termination of the Secured Party’s contractual relationship with a counterparty identified thereon, the Secured Party shall notify the Custodian thereof.

(a) Promptly after receipt of such notification, the Custodian will furnish the Secured Party with a revised Schedule I.

Section 5. Subordination of Lien; Waiver of Set-Off. In the event that the Custodian, has or subsequently obtains by agreement, by operation of law or otherwise a security interest in any Account or any financial asset credited thereto, the Custodian hereby agrees that, to the extent permitted under applicable law, such security interest shall be subordinate to the security interest of the Secured Party. The financial assets credited to any Account will not be subject to deduction, set-off, broker’s lien, or any other right in favor of any person other than the Secured Party (except that the Custodian may set off (i) all amounts due to the Custodian in respect of customary fees and expenses for the routine maintenance and operation of each Account and (ii) the face amount of any checks which have been credited to any Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 6. CHOICE OF LAW. THIS AGREEMENT AND THE ACCOUNTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. REGARDLESS OF ANY PROVISION IN ANY OTHER AGREEMENT, FOR PURPOSES OF THE UCC, NEW YORK SHALL BE DEEMED TO BE THE “SECURITIES INTERMEDIARY’S

JURISDICTION”, AND THE ACCOUNTS (AS WELL AS THE SECURITY ENTITLEMENTS CREDITED THERETO) SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Section 7. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement (including without limitation any Underlying Agreement) now existing or hereafter entered into, the terms of this Agreement shall prevail.

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by each party hereto.

(c) The Custodian hereby confirms and agrees that:

(i) There are no other agreements entered into between the Custodian and any Debtor with respect to the Accounts;

(ii) It has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other person relating to the Accounts and/or any financial assets credited thereto pursuant to which it has agreed, or will agree, to comply with entitlement orders or instructions of such other person; and

(iii) It has not entered into, and until the termination of this Agreement will not enter into, any agreement with any Debtor purporting to limit or condition the obligation of the Custodian to comply with entitlement orders and other instructions as set forth in Section 3 hereof.

Section 8. Adverse Claims. Except for the claims and interest of the Secured Party and of the respective Debtors in the Accounts, the Custodian does not know of any claim to, or interest in, any Account or in any financial assets credited thereto. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Account or against any financial assets credited thereto, the Custodian will promptly notify the Secured Party and the related Debtor thereof.

Section 9. Successors. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law.

Section 10. Termination. The obligations of the Custodian to the Secured Party pursuant to this Agreement with respect to each Account shall continue in effect until the security interest of the Secured Party in an Account has been terminated pursuant to the terms of the relevant Underlying Agreement and the Secured Party has notified the Custodian of such termination pursuant to Section 4 above.

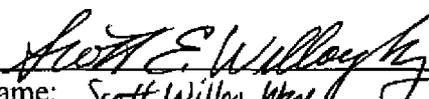
Section 11. Limitation of Liability. The Secured Party hereby agrees that the Custodian is released from any and all liabilities to the Secured Party arising from the terms of this Agreement and the compliance of the Custodian with the terms hereof, except to the extent that such liabilities arise from the Custodian's bad faith, willful misconduct or gross negligence.

Section 12. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and either party hereto may execute this Agreement by signing and delivering one or more counterparts.

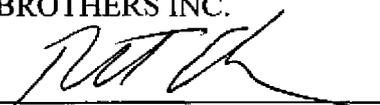
[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Securities Account Control Agreement, all as of the day and year first above written.

LEHMAN BROTHERS OTC DERIVATIVES
INC.

By: 
Name: *Scott Willoughby*
Title: *Senior Vice President*

LEHMAN BROTHERS INC.

By: 
Name: **Robert E. Guglielmo**
Title: **Senior Vice President**

SCHEDULE I

Debtor Name	System	Account Number
VICTOR M. SAMRA JR.	TMS	95260017
GARY C. EVANS	TMS	95260002
EULA MAE AND JOHN BAUGH FOUNDATION	TMS	95260018
SWARTZ FOUNDATION	TMS	95260010
THOMAS S. ROGERS	TMS	95300016
J. KELLEY WILLIAMS REVOCABLE TRUST	TMS	95260016
JEROME SWARTZ IRREVOCABLE FAMILY TRUST	TMS	95260004
GENERAL MILLS, INC.	TMS	93900265
GREENTREE INVESTORS, L.P.	TMS	95260015
RICHARD A. HAYNE	TMS	95260001
FRAZIER, RICHARD	TMS	95260011
WAMU PARTNERS II LP	TMS	95260000
CECIL S. HARRELL IRREVOCABLE TRUST	TMS	95260012
MARIE PAPILLON	TMS	95300021
RICHARD AND REGINA RONEY FAMILY TRUST	TMS	95300009
JEROME SWARTZ	TMS	95260007
NAPSTER, INC.	TMS	95300014