

From: Walsh, Mark <mawalsh@lehman.com>
Sent: Friday, July 27, 2007 12:59 PM (GMT)
To: Kirk, Alex (FID) <akirk@lehman.com>
Cc: Nagioff, Roger <rnagioff@lehman.com>
Subject: RE: Archstone

We have full price flex which we would prefer not to use. Alternatively, we are talking to our real estate counterparties like Met Life to assist us in funding(our piece only) if need be. Bof a has already said they prefer to not syndicate now but fund. Talking to barclays today. We are 47% of what appears to be just under \$ 4 billion bank deal. The larger CMBS piece which also has full price flex is still on track and we remain hopeful but very nervous. As I went over with Roger yesterday the CMBS markets are still open with deals getting done in a very sloppy fashion. AAA's are 15 wide this week alone. The ray of hope for the cmbs is that both agencies are highly interested in the deal with potential multi billion \$ orders.

-----Original Message-----

From: Kirk, Alex (FID)
Sent: Friday, July 27, 2007 8:23 AM
To: Walsh, Mark
Subject: Fw: Archstone

----- Original Message -----

From: Hughes, William J
To: Kirk, Alex (FID)
Cc: Seery, James; Orlan, Fred S
Sent: Fri Jul 27 08:19:25 2007
Subject: Archstone

Another deal to watch - Archstone. This deal has a bank piece between \$4bn and \$5bn. With the institutional market virtually closed, we will try to devise a strategy to syndicate this risk to banks. That said, many of the logical candidates on the bank side are wounded from the current sell off. This loan has not been on our commitment sheets because the risk resides in Real Estate but clearly a deal that we should all be closely watching.

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