

From: Lowitt, Ian T <ilowitt@lehman.com>
Sent: Friday, July 27, 2007 3:36 PM (GMT)
To: Tonucci, Paolo <paolo.tonucci@lehman.com>
Subject: FW: RE Liquidity Jul 27 Finance.xls
Attach: RE Liquidity Jul 27 Finance.xls

this suggests a deteriorating picture. Do you have a schedule of what you are expecting which we can review and then revise daily as we get more info? Looks like the real estate pipeline will be more of a problem than I <<RE Liquidity Jul 27 Finance.xls>> thought. We should have the guys do contingency plan for archstone; and hope AIG or HVB can get done in next month. Ian

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

From: Reilly, Gerard
Sent: Friday, July 27, 2007 11:30 AM
To: Lowitt, Ian T
Subject: Fw: RE Liquidity Jul 27 Finance.xls

Cmbs spreads crossed 98 levels yest

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

From: Cohen, Jonathan
To: O'Meara, Chris M (NY); Reilly, Gerard
Sent: Fri Jul 27 11:20:25 2007
Subject: RE Liquidity Jul 27 Finance.xls

<<RE Liquidity Jul 27 Finance.xls>>

Tough to compare my roll forward to Treasury schedule since we are only focusing on cash capital (e.g. the \$3.3bn C3 deal closed yesterday is only \$1.6bn of cash cap savings). I updated the schedule as best I could with Hughson's estimate in the first column and my estimates in the next column. I also provided the schedule to Yas and Irina. At this point, due to some loans being in the Lehman banks and us possibly retaining \$500mm of bonds, I assume only \$500mm of the floater is net cash cap savings (vs \$2bn total deal). I also assume the LBUBS C6 fixed rate deal is moved to Sept and we only net \$1bn of savings (vs \$2.2bn total deal). At this point, that is also questionable as UBS may pull out due to the state of the mkt. I was also more conservative in syndications of mezz and B-Notes and investor interest is waning at this point in time.

Archstone is the biggest worry. Our commitment is \$12bn. I assume we fund \$9bn vs. Hughson's earlier assumption of \$6.8bn. Also related is that instead of syndicating down the Archstone facility in October to the tune of \$5.3bn, I am assuming only \$3bn.

I think we will learn more about how much the US implosion has affected Europe in the coming days as they close Windy 11 and market the Coeur

Defense deal.

I'll still analyze and discuss updates with the business.

Let me know what else I can do.