

## PRO FORMA CAPITALIZATION

### COMPANY BALANCE SHEET

(\$ in thousands)

	Capitalization 11/27/07 Update	Adjustments Through 05/30/08	Capitalization As of 05/30/08
Tishman Speyer GP Equity	\$250,000	-	\$250,000
Lehman GP Equity	250,000	-	250,000
Third Party Equity	4,600,000	-	4,600,000
<b>Total Equity</b>	<b>\$5,100,000</b>	-	<b>\$5,100,000</b>
New Preferred (OP Rollover)	\$242,023	-	\$242,023
Assume Series I Preferred	50,000	-	50,000
<b>Total Preferred</b>	<b>\$292,023</b>	-	<b>\$292,023</b>
New Revolver	-	519,300	519,300
New Term Loan A	1,750,000	(581,544)	1,168,456
New Term Loan B	3,014,000	0	3,014,000
New Development Acquisition Loan	500,000	(91,815)	408,185
Fannie Mae	7,069,326	(125,542)	6,943,784
Freddie Mac	1,801,875	(82,671)	1,719,204
Mezzanine Behind Fannie and Freddie	1,069,171	(34,351)	1,034,820
OC/SD Debt	109,500	-	109,500
New Ground Lease Financing	76,000	-	76,000
Assumed Mortgage Debt (Incl. International Debt)	1,390,917	(16,745)	1,374,172
<b>Total Debt</b>	<b>\$16,780,789</b>	<b>(413,369)</b>	<b>\$16,367,420</b>
Less: Interest Reserve	(500,000)	225,231	(274,769)
Less: Additional Reserves	(54,942)	-	(54,942)
<b>Net Debt</b>	<b>\$16,225,847</b>	<b>(188,138)</b>	<b>\$16,037,709</b>
<b>Total Enterprise Value</b>	<b>\$21,617,870</b>	<b>(188,138)</b>	<b>\$21,429,732</b>

<i>Net Debt / Enterprise Value</i>	75.1%	74.8%
<i>Net Debt + Pref. / Enterprise Value</i>	76.4%	76.2%

### LEHMAN EXPOSURE

	Capitalization 11/27/07 Update	Adjustments Through 05/30/08	Capitalization As of 05/30/08
Bridge Equity	2,142,020	-	2,142,020
Term Loan A	827,674	(288,828)	538,846
Term Loan B	1,425,491	-	1,425,491
Development Loan	236,478	(43,424)	193,054
Mezzanine Debt	505,671	(16,247)	489,425
Ground Lease Loan	35,945	-	35,945
Revolver	-	245,606	245,606
<b>Total</b>	<b>\$5,173,279</b>	<b>(102,892)</b>	<b>\$5,070,387</b>

**Archstone Multifamily JV**
*Debt and Equity Redemption Schedule*

Event	Date Funded	Syndications	Principal Payments	Cumulative Balance	LEH %	LEH Exposure
<b>BRIDGE EQUITY</b>						
Original Commitment	10/05/07			\$4,600,000,000	47.30%	\$2,175,600,000
Syndication: The Irvine Company	10/05/07	(50,000,000)	-	4,600,000,000	46.78%	2,151,952,174
Syndication: Consolidated Investor Group	10/05/07	(20,000,000)	-	4,600,000,000	46.58%	2,142,493,043
Syndication: Larry Cohen (TSP HNW)	10/05/07	(1,000,000)	-	4,600,000,000	46.57%	2,142,020,087
<b>Current Remaining Bridge Equity Exposure</b>		<b>(\$71,000,000)</b>	<b>-</b>	<b>\$4,600,000,000</b>	<b>46.57%</b>	<b>\$2,142,020,087</b>
<b>TERM LOAN A</b>						
<i>Existing TLA Transactions</i>						
Original Commitment	11/27/07			\$1,750,000,000	47.30%	\$827,673,913
Mezzanine Proceeds	11/28/07	-	(25,842,515)	1,724,157,485	47.30%	815,451,527
Syndication: Deerfield	11/30/07	(43,000,000)	-	1,724,157,485	46.12%	795,114,397
Mezzanine Interest Proceeds	11/30/07	-	(223,750)	1,723,933,735	46.12%	795,011,212
German Fund Proceeds	12/04/07	-	(84,889,350)	1,639,044,385	46.12%	755,863,544
Memorial Heights Patio Home Sale	12/26/07	-	(507,047)	1,638,537,338	46.12%	755,629,714
Crystal Square Asset Sale	12/27/07	-	(34,953,108)	1,603,584,229	46.12%	739,510,699
Bennington Asset Sale	12/27/07	-	(25,991,980)	1,577,592,249	46.12%	727,524,208
Equity Repatriations from Fund Closings	12/27/07	-	(82,774,840)	1,494,817,409	46.12%	689,351,670
Holiday Inn Fisherman's Wharf	01/31/08	-	(52,814,774)	1,442,002,635	46.12%	664,995,550
Bowie Towne Center 1031 ID Failure	02/06/08	-	(74,979,487)	1,367,023,148	46.12%	630,417,926
Fairfax Partial 1031 ID Failure	02/06/08	-	(5,491,946)	1,361,531,202	46.12%	627,885,254
Harbour Point Asset Sale	02/26/08	-	(1,056,530)	1,360,474,672	46.12%	627,398,023
Parkland Gardens Land Loan Proceeds	02/29/08	-	(15,781,450)	1,344,693,222	46.12%	620,120,232
Solaire/Wheaton/La Mesa Loan Proceeds	03/13/08	-	(147,929,919)	1,196,763,303	46.12%	551,900,705
JV Proceeds	04/01/08	-	(3,060,297)	1,193,703,006	46.12%	550,489,415
Parkway Plaza Asset Sale	04/09/08	-	(1,868,299)	1,191,834,707	46.12%	549,627,828
Clinton Green Condo Sale Proceeds	05/01/08	-	(3,252,583)	1,188,582,124	46.12%	548,127,863
FedEx Loan Proceeds	05/23/08	-	(19,123,362)	1,169,458,762	46.12%	539,308,912
Woodsong Asset Sale	05/30/08	-	(1,003,091)	1,168,455,671	46.12%	538,846,326
<b>Current Remaining TLA Exposure</b>		<b>(\$43,000,000)</b>	<b>(\$581,544,329)</b>	<b>\$1,168,455,671</b>	<b>46.12%</b>	<b>\$538,846,326</b>
<b>TERM LOAN B</b>						
<i>Existing TLB Transactions</i>						
Original Commitment	11/27/07			\$3,014,000,000	47.30%	\$1,425,490,957
<b>Current Remaining TLB Exposure</b>		<b>\$0</b>	<b>#REF!</b>	<b>\$3,014,000,000</b>	<b>47.30%</b>	<b>\$1,425,490,957</b>
<b>REVOLVER</b>						
<i>Revolver Draws</i>						
Funded at Closing	11/27/08		\$0	\$0	47.30%	\$0
Draw	12/20/07	-	60,000,000	60,000,000	47.30%	28,377,391
Draw	01/02/08	-	75,000,000	135,000,000	47.30%	63,849,130
Draw	01/15/08	-	60,000,000	195,000,000	47.30%	92,226,522
Draw	01/23/08	-	30,000,000	225,000,000	47.30%	106,415,217
Draw	02/04/08	-	75,000,000	300,000,000	47.30%	141,886,957
Draw	02/15/08	-	20,000,000	320,000,000	47.30%	151,346,087
Draw	02/22/08	-	20,000,000	340,000,000	47.30%	160,805,217
Draw	03/04/08	-	40,000,000	380,000,000	47.30%	179,723,478
Draw	03/12/08	-	30,000,000	410,000,000	47.30%	193,912,174
Draw	03/17/08	-	35,000,000	445,000,000	47.30%	210,465,652
Paydown - Interest Reserve & Cash on Hand	03/25/08	-	(110,000,000)	335,000,000	47.30%	158,440,435
Swing Draw	03/25/08	-	7,500,000	342,500,000	47.30%	161,987,609
Swing Draw	03/27/08	-	8,600,000	351,100,000	47.30%	166,055,035
Swing Draw	03/28/08	-	5,150,000	356,250,000	47.30%	168,490,761
Swing Draw	03/31/08	-	8,800,000	365,050,000	47.30%	172,652,778
Draw (Interest payments)	04/02/08	-	35,000,000	400,050,000	47.30%	189,206,257
Draw (Interest payments)	04/04/08	-	10,000,000	410,050,000	47.30%	193,935,822
Draw (Rivers Edge JV equity and expenses)	04/14/08	-	15,000,000	425,050,000	47.30%	201,030,170
Draw (Payoff swing, insurance premium, expenses)	04/17/08	-	30,000,000	455,050,000	47.30%	215,218,865
Swing Draw	04/17/08	-	4,250,000	459,300,000	47.30%	217,228,930
Draw	05/02/08	-	40,000,000	499,300,000	47.30%	236,147,191
Draw	05/05/08	-	5,000,000	504,300,000	47.30%	238,511,974
Draw	05/19/08	-	15,000,000	519,300,000	47.30%	245,606,322
<b>Current Revolver Balance</b>		<b>\$0</b>	<b>\$519,300,000</b>	<b>\$519,300,000</b>	<b>47.30%</b>	<b>\$245,606,322</b>

Event	Date Funded	Syndications	Principal Payments	Cumulative Balance	LEH %	LEH Exposure
<b>DEVELOPMENT LOAN</b>						
<i>Existing Development Transactions</i>						
Original Commitment	10/05/07			\$500,000,000	47.30%	\$236,478,261
Zanjero Asset Sale	11/14/07	-	(40,616,053)	459,383,947	47.30%	217,268,634
Zanjero Asset Sale True-up	12/04/07	-	(10,979)	459,372,968	47.30%	217,263,441
[Payment]	12/05/07		(3,285,139)	456,087,829	47.30%	215,709,713
Zanjero Asset Sale True-up	12/18/07	-	(25,067)	456,062,761	47.30%	215,697,857
Westchester @ Buckhead Asset Sale	12/27/07	-	(47,620,598)	408,442,164	47.30%	193,175,385
Emeryville Watertower	03/07/08	-	(3,321,427)	405,120,737	47.30%	191,604,495
Ontario Asset Sale	05/07/08		(17,934,675)	387,186,062	47.30%	183,122,173
PIK ACCRUALS 11/07 - 5/07	Var.	-	20,998,953	408,185,015	47.30%	193,053,765
<b>Current Remaining Dev. Exposure</b>		<b>\$0</b>	<b>(\$91,814,985)</b>	<b>\$408,185,015</b>	<b>47.30%</b>	<b>\$193,053,765</b>
<b>GROUND LEASE LOAN</b>						
<i>Existing Ground Lease Transactions</i>						
Original Commitment	10/05/07			\$76,000,000	47.30%	\$35,944,696
<b>Current Remaining GL Exposure</b>		<b>\$0</b>	<b>\$0</b>	<b>\$76,000,000</b>	<b>47.30%</b>	<b>\$35,944,696</b>
<b>MEZZANINE BEHIND FANNIE &amp; FREDDIE</b>						
<i>Existing Mezzanine Transactions</i>						
Original Commitment	10/05/07			\$1,069,170,997	47.30%	\$505,671,396
Crystal Square Asset Sale	12/27/07	-	(14,889,833)	1,054,281,163	47.30%	498,629,152
Bennington Asset Sale	12/27/07	-	(11,479,050)	1,042,802,114	47.30%	493,200,061
Harbour Pointe Asset Sale	02/26/08	-	(2,240,934)	1,040,561,180	47.30%	492,140,196
Plaza Parkway Sales Proceeds	04/09/08	-	(1,942,985)	1,038,618,194	47.30%	491,221,249
Woodsong Asset Sale	05/30/08		(3,798,489)	1,034,819,705	47.30%	489,424,729
<b>Current Remaining Mezzanine Exposure</b>		<b>\$0</b>	<b>(\$34,351,291)</b>	<b>\$1,034,819,705</b>	<b>47.30%</b>	<b>\$489,424,729</b>
<b>FREDDIE MORTGAGE</b>						
<i>Existing Freddie Transactions</i>						
Original Commitment	10/05/07			\$1,801,875,000	0.00%	\$0
Harbour Pointe Sales Proceeds	02/26/08	-	(35,912,500)	1,765,962,500	0.00%	\$0
Plaza Parkway Sales Proceeds	04/09/08	-	(12,650,000)	1,753,312,500	0.00%	\$0
Woodsong Asset Sale	05/30/08		(34,108,800)	1,719,203,700	0.00%	\$0
<b>Remaining Freddie Mort. Exposure After Paydowns</b>			<b>(\$82,671,300)</b>	<b>\$1,719,203,700</b>	<b>0.00%</b>	<b>\$0</b>
<b>FANNIE MORTGAGE</b>						
<i>Existing Fannie Transactions</i>						
Original Commitment	10/05/07			\$7,069,325,900	0.00%	\$0
Crystal Square Sales Proceeds	12/27/07	-	(70,890,365)	6,998,435,535	0.00%	-
Bennington Asset Sale	12/27/07	-	(54,651,656)	6,943,783,878	0.00%	-
<b>Current Remaining Fannie Mort. Exposure</b>		<b>-</b>	<b>(\$125,542,022)</b>	<b>\$6,943,783,878</b>	<b>0.00%</b>	<b>\$0</b>
<b>OC/SD JV MEZZANINE</b>						
Original Commitment	10/05/07	-		\$109,500,000	0.00%	\$0
<b>Remaining OC/SD JV Exposure After Paydowns</b>			<b>\$0</b>	<b>\$109,500,000</b>	<b>0.00%</b>	<b>\$0</b>
<b>ASSUMED MORTGAGE &amp; DEVELOPMENT DEBT</b>						
Original Commitment	10/05/07			\$1,390,917,260	0.00%	\$0
Arbor Vista	12/17/07	-	(11,685,000)	1,379,232,260	0.00%	-
Hedges Creek	12/27/07	-	(5,060,000)	1,374,172,260	0.00%	-
<b>Remaining Assumed Exposure After Paydowns</b>		<b>\$0</b>	<b>(\$16,745,000)</b>	<b>\$1,374,172,260</b>	<b>0.00%</b>	<b>\$0</b>
<b>INTEREST RESERVE</b>						
Original Commitment			(\$500,000,000)			
<b>Remaining Interest Reserve</b>	4/2/2008	<b>\$0</b>	<b>(\$274,768,940)</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>