

03 W. redowns

J. COITON

MATS	Position Name	(June 08) Face	(June 08) Mark	(June 08) Basis	Property Type	Lien Type	Sponsor/Borrower	Consolidated	Pricing Variance
<b>Tier 1</b>									
VL67	COMMONS OF MCLEAN	178.26	86.37	153.97	Multifamily	First	Monument Realty	Y	(35.00)
WH5712	Orlando Assets Acquisition	196.96	75.56	148.82	Multifamily	REO	N/A	Y	(30.00)
UC01	MONUMENT REALTY LINE WHOLE LO	43.47	83.72	36.40	Other	Other	Monument Realty	Y	(30.00)
TI94	LB WEST BAY DEVELOPMENT LLC WH	79.59	82.19	65.42	Multifamily	REO	N/A	Y	(30.00)
WH6138	PRESTIGE PORTFOLIO	56.75	100.00	56.75	Multifamily	Equity	ACPRE PRS Member	N	(24.46)
VB42 & VB43	Boulder Springs	74.40	56.31	41.90	Land	First	Troxler Ventures Partners, Inc.	N	(20.00)
WH4305	MONTELUCLIA HOTEL & VILLAS MEZZ	36.49	83.72	30.55	Land	Mezz	Crown Realty & Development	N	(20.00)
VU97	PETRINI BAKERSFIELD	55.02	62.42	34.34	Land	First	TVP Asset, Inc.	Y	(17.00)
WH8861	GREENWICH PLACE ACQUISITION LL	147.14	79.80	117.41	Multifamily	REO	N/A	Y	(16.59)
WH6431/WH6432/WH6433	LB Bell Road (Nashville Profolio)	52.53	87.35	45.89	Multifamily	First/Mezz/Equi	New Dawn	Y	(12.58)
UG68	THE MARK- PARK LOFTS LLC	16.01	77.17	12.35	MULTIFAMIL	Equity	Douglas Wilson Development, LLC.	N	(12.35)
WH6237/8055	Ridge Crossing	29.33	96.59	28.33	Multifamily	Equity	New Dawn	Y	(11.32)
VH27	LB NWP LLC LB NWP LLC	11.97	100.00	11.97	OFFICE	Equity	FIC NWP, LLC	Y	(10.94)
WH8863	GREENWICH OAKS ACQUISITION LLC	103.52	79.92	82.73	Multifamily	REO	N/A	Y	(10.30)
WH6531	WSG PRISM W PALM BEACH	21.00	99.00	20.79	Land	First	WSG Development Company	N	(10.00)
WH4767	COLONIAL GRAND AT BAYSHORE SEN	49.91	74.20	37.04	Multifamily	First	Sunvest Communities	N	(10.00)
WH5746	LB BP RESIDENTIAL 1A LLC	12.86	100.00	12.86	Land	Equity	Monument Realty	N	(9.00)
WH5747	LB BP RESIDENTIAL 1B LLC	10.02	100.00	10.02	Land	Equity	Monument Realty	N	(9.00)
WH1949/WH1951/WE68	LeCraw Portfolio	62.31	86.84	54.11	Multifamily	Debt/Equity	Lyon Capital Ventures, LLC	N	(8.62)
UC24	Troxler 16	10.02	68.58	6.87	Land	Equity	Troxler Ventures Partners, Inc.	Y	(8.14)
WE184	MIDDLE MOUNTAIN WHOLE LOAN	36.60	82.89	30.34	Land	First	Nick Bonanno and Allen Jenkins	Y	(8.00)
WE13	Troxler 40	8.21	63.45	5.21	Multifamily	Equity	D2 Construction	Y	(6.02)
WB00	GILBERT TOWN CENTER	20.95	97.79	20.48	Land	First	Dupont Fabros Development	Y	(6.00)
WH4591	LB ONE 11 PLAZA LLC WHOLE LOAN	11.81	100.00	11.81	Office	Equity	BL One 11 Plaza, LLC	Y	(5.00)
WE269	Congressional Village	11.35	100.00	11.35	Multifamily	Equity	Stellar Housing Partners XVI, LLC	Y	(5.00)
WB68	NORTH PEAK	29.91	62.14	18.58	Land	First	Troxler & Associates, Inc.	Y	(5.00)
SM72	Colorado Springs	10.56	100.04	10.56	Land	Equity	RAL Companies	Y	(5.00)
WE307/WH3107/WH3107A	EMERALD DUNES MEZZ WHOLE LOAN	20.68	98.46	20.36	Other	Senior/Mezz	RFR Holding LLC	N	(5.00)
UB95	Troxler - Palomar Ridge	21.36	15.72	3.36	Land	Equity	Troxler Ventures Partners, Inc.	Y	(4.93)
WC92 & WD07	LB Spring Creek Investors LLC	35.11	85.57	30.04	Multifamily	Equity	Lyon Capital Ventures, LLC	N	(4.41)
WD17 & WD18	LB BRENTWOOD LLC	9.43	100.00	9.43	Land	Equity	VCC	Y	(4.80)
VK31	LB EL CAJON LLC WHOLE LOAN	10.85	100.00	10.85	Land	Equity	Douglas Wilson Development, LLC.	Y	(4.18)
WH5561	CLEMSON SENIOR WHOLE LOAN	26.63	98.49	26.22	Land	First	RWO Acquisitions LLC	N	(4.18)
SN71&SN71B	LB SOUTH BEACH LLC WHOLE LOAN	136.28	64.75	75.29	Hotel	Debt/Equity	Setai Owners	Y	(4.00)
VU03	LB CRV XL LLC	6.82	56.03	3.82	Land	Equity	Capstone Advisors, Inc.	Y	(3.82)
VE78	Troxler 34 Marina Lofts	24.90	15.02	3.74	Land	Equity	Troxler Ventures Partners, Inc.	Y	(3.74)
WE312	LB DAV LLC WHOLE LOAN	6.59	97.36	6.42	Office	Equity	Eola Capital	N	(3.65)
UD39/UD39Z	LB PARK CENTRAL (ORLANDO) LLC	0.00	121.65	3.65	Multifamily	Equity	Bainbridge Companies	N	(3.65)
VL62	Troxler 23	11.50	29.62	3.41	Land	Equity	Troxler Ventures Partners, Inc.	Y	(3.41)
UC97	Troxler 18 (Little Tokyo)	20.67	85.49	17.67	Condos	Equity	Troxler Ventures Partners, Inc.	Y	(3.00)
UG33	Troxler 14	7.13	85.96	6.12	Land	Equity	Troxler Ventures Partners, Inc.	Y	(3.00)
WE264	EAGLE RANCH WHOLE LOAN	9.78	98.77	9.66	Land	First	Venture Corporation	Y	(2.70)
VA94&WE152	LB AZURE OF LIDO LLC	7.77	98.22	7.63	Land	Debt/Equity	Gencom	Y	(2.56)
WE10	LB SNOQUALMIE WHOLE LOAN	3.54	57.61	2.04	LAND	Equity	Venture Corporation	Y	(2.04)
WE232	LB AVONDALE LLC	4.46	100.00	4.46	Retail	Equity	Troast Properties of Arizona	Y	(2.00)
VF79	Houston Apartments	11.79	62.08	7.32	Multifamily	Mezz	Mark Broxmeyer & Mark Frankel	N	(2.00)
WE209	SCOTTSDALE TECHNOLOGY CENTER W	8.22	69.07	5.68	Office	Mezz	Crown Realty & Development	Y	(1.92)
WH5867	Greenhouse Holcomb Bridge Mezz	6.26	99.29	6.22	Multifamily	Mezz	Lyon Capital Ventures, LLC	N	(1.13)
WH6229	Highland Parc Mezz	7.93	99.36	7.88	Multifamily	Mezz	Lyon Capital Ventures, LLC	N	(1.02)
WH1747	VILLAGE OAKS B NOTE WHOLE LOAN	12.13	40.44	4.90	Multifamily	Second	EB Developers Inc.	N	(1.00)
WE234	LB/L Edenbridge II	4.30	100.00	4.30	Multifamily	Equity		Y	(0.69)
		1,791.05	78.02	1,397.33					(448.15)

MATS	Position Name	(June 08) Face	(June 08) Mark	(June 08) Basis	Property Type	Lien Type	Sponsor/Borrower	Consolidated	Pricing Variance
<b>Tier 2</b>									
VK93	Teachers Senior Loan	54.15	89.82	48.64	Office	First	Kojaian Management Co.	Y	(10.00)
VH34	222 BROADWAY 222 BROADWAY	9.51	100.00	9.51	Industrial	Mezz	Pacific Properties & Dev. LLC	N	(9.51)
WE40	POTOMAC PLACE MEZZANINE WHOLE	9.10	99.00	9.01	Multifamily	Mezz	Monument Realty	N	(9.01)
WE116	OASIS WHOLE LOAN	19.40	100.00	19.40	Land	Mezz	The Related Group of Florida	N	(9.00)
WH6237	LB RIDGE CROSSING LLC WHOLE LO	13.84	92.77	12.84	MULTIFAMIL	Equity	New Dawn	Y	(8.31)
WD87	TERRAZAS RIVER PARK VILLAGE WH	13.41	99.00	13.28	Multifamily	Mezz	Windsor Capital Corporation and B Develop	N	(8.28)
WH8667	SWENSON LAND LLC WHOLE LOAN	41.03	78.61	32.25	Land	REO	N/A	Y	(8.00)
WH5865	Laurel Cove	74.48	98.03	73.01	Land	First	Diamante	N	(6.01)
WH9035	CARILLON B-NOTE WHOLE LOAN	128.11	89.87	115.14	Land	First	Carillon	N	(6.00)
SH16	LB THUNDER SPRINGS WHOLE LOAN	29.62	53.98	15.99	MULTIFAMIL	Equity	Wareham Development	Y	(6.00)
WH9020	LB WHITEFACE LODGE LLC WHOLE L	36.00	74.31	26.75	Land	REO	N/A	Y	(6.00)
WE189	46TH STREET MEZZ WHOLE LOAN	8.66	68.97	5.97	Industrial	Mezz	Levin Menzies & Associates LLC	N	(5.97)
VU70	LB TROXLER RES VENT 15 LLC WHO	10.60	0.00	-	LAND	Equity	Troxler Ventures Partners, Inc.	Y	(5.80)
WH4251	VERONA WOODS MEZZ WHOLE LOAN	7.51	98.91	7.42	Multifamily	Mezz	Lyon Capital Ventures, LLC	N	(5.47)
TP67	LB 1200 MAIN PARTNER LLC	5.18	100.00	5.18	Multifamily	REO	N/A	Y	(5.18)
WH8668	SWENSON CONSTRUCTION LLC WHOLE	58.79	95.42	56.10	Land	REO	N/A	Y	(5.14)
SU34	Kojaian - Bloomfield Open Hunt	14.25	39.84	5.68	Land	First	Kojaian Management Co.	Y	(5.00)
WH6529	WSG INDRIO WHOLE LOAN	20.00	99.00	19.80	Land	First	WSG Development Company	N	(5.00)
WH5900	WSG HOLLYWOOD WHOLE LOAN	15.80	98.97	15.64	Land	First	WSG Development Company	N	(5.00)
WE117	ICON BRICKELL WHOLE LOAN	11.00	99.12	10.90	Land	Mezz	The Related Group of Florida	N	(5.00)
TD83	RIVER SOUND DEVELOPMENT LLC WH	23.19	88.50	20.52	Land	REO	N/A	Y	(5.00)
WH6448	LB EAST 46TH STREET LLC WHOLE	4.37	100.00	4.37	Land	Equity	Alex Gurevich	Y	(4.37)
WE170	INDIANTOWN WHOLE LOAN	49.41	36.04	17.81	Land	First	Indiantown Holdings, LLC	N	(4.31)
RK06	1180 RAYMOND WHOLE LOAN	9.48	88.56	8.40	OFFICE	Equity	Cogswell	N	(4.26)
WH8579	LB SOMERSET LLC WHOLE LOAN	7.41	99.00	7.34	Office	Equity	Mills Ridge Group	Y	(4.25)
SM38	KOJAIAN NORTHVILLE TECH PARK W	13.75	62.69	8.62	Land	First	Kojaian Management Co.	Y	(4.22)
VU71	LB EAST OCEAN LLC WHOLE LOAN	4.15	100.00	4.15	Land	Equity	James Ratkovich & Associates, Inc.	N	(4.15)
VY58	1200 MAIN LOAN 1200 MAIN LOAN	38.33	90.07	34.53	Multifamily	First	Lehman Brothers	Y	(4.10)
WH5745	LB BP OFFICE 1 LLC WHOLE LOAN	28.83	100.00	28.83	LAND	Equity	Monument Realty	N	(4.00)
WC62	RIVERWALK SQUARE WHOLE LOAN	18.72	99.00	18.53	Land	Mezz	Riverwalk Square Development II, LLC	N	(4.00)
VG56	LB TROXLER RESIDENTIAL VENTURE	6.40	57.81	3.70	Land	Equity	Troxler Ventures Partners, Inc.	Y	(3.68)
WH5749	LB BALLPARK 2 LLC WHOLE LOAN	5.56	100.00	5.56	LAND	Equity	MR Ballpark 2 Capital LLC	N	(3.31)
VE96	LERNO VERHAGEN WHOLE LOAN	10.15	100.00	10.15	Land	Mezz	CRV & Innovative Resort Communities	Y	(3.24)
WE191	LB MIP LLC	5.39	98.45	5.31	Industrial	Equity	Waterton Associates	N	(3.19)
VY27	KOJAIAN OLIVER MEZZ KOJAIAN OL	8.00	45.76	3.66	Office	Mezz	One Oliver Mezzanine Associates, LLC	N	(3.05)
WH6410	LP CROPSY LLC WHOLE LOAN	3.00	100.00	3.00	Land	Equity	2300 Cropsey Ave II, LLC	N	(3.00)
VT91	LB TROXLER RES VENT 29 LLC WHO	14.18	20.99	2.98	LAND	Equity	Troxler Ventures Partners, Inc.	Y	(2.98)
UG45	LA PALOMA BRIDGE LOAN WHOLE LO	6.37	68.00	4.33	Land	First	Capstone Advisors, Inc.	Y	(2.80)
SN75	KOJAIAN MOWG	5.95	81.39	4.84	Industrial	First	Kojaian Management Co.	Y	(2.74)
VY40	LB PHILADELPHIA RESIDE WHOLE L	5.32	100.00	5.32	MULTIFAMIL	Equity	Arden Meridian Associates	N	(2.61)
SZ02	LB FORT LEE LLC WHOLE LOAN	3.66	263.94	9.66	OFFICE	Equity	Fort Lee Partner LLC	N	(2.60)
SX50	LB SPRING CREEK LLC WHOLE LOAN	3.17	79.93	2.53	LAND	Equity	RAL Companies	Y	(2.53)
UE70	LB HEMET 55-CRV XXV WHOLE LOAN	2.52	100.00	2.52	LAND	Equity	Capstone Advisors, Inc.	Y	(2.52)
VT64	LB WEST CAICOS LLC LB WEST CAI	13.12	100.00	13.12	LAND	Equity	Gencom	N	(2.50)
WE65	LB-L PACER COLLEGE PARK PA2 LL	10.98	35.28	3.88	Land	Mezz	Lakeside Capital Partners and Pacer Commu	Y	(2.45)
WD23	OTAY MESA WHOLE LOAN	16.16	98.64	15.94	Land	First	Venture Corporation	Y	(2.43)
SS96	NORTHMILFORD WEST RETAIL WHOLE	11.15	90.55	10.10	Land	First	Kojaian Management Co.	Y	(2.20)
WH5773	LB Midtown Memphis LLC WHOLE L	2.19	100.00	2.19	RETAIL	Equity	WSG Midtown LLC	N	(2.19)
VJ17 & VJ19	SOUTH PARK IV	37.99	77.87	29.59	Condos	First/ Equity	WDD	N	(2.11)

MATS	Position Name	(June 08)	(June 08)	(June 08)	Property Type	Lien Type	Sponsor/Borrower	Consolidated	Pricing Variance
		Face	Mark	Basis					
VQ22	LB TROXLER RES VENT 28 LLC WHO	5.11	41.34	2.11	Land	Equity	Troxler Ventures Partners, Inc.	Y	(2.03)
WH5927	LB 816 CONGRESS AVE LLC WHOLE	23.17	54.52	12.63	Office	Equity	NNN 816 Congress	Y	(2.00)
VX49	LB/L Capital Partners II LLC	7.43	87.88	6.53	land	Equity	Lakeside Realty Advisors LLC	Y	(2.00)
WH6530	WSG POINSETTIA WHOLE LOAN	3.40	99.00	3.37	Land	First	WSG Development Company	N	(2.00)
WB66	URBAN RIVER URBAN RIVER	7.48	99.02	7.41	Land	First	Windsor Capital and Kevin Reilly	N	(2.00)
VE09	LB WATERGATE LLC	8.96	95.74	8.58	HOTEL	Equity	Monument Realty	Y	(2.00)
WH5123	LB TACOMA ELKS LLC WHOLE LOAN	2.00	100.00	2.00	MULTIFAMIL	Equity	WDD Tacoma Alpha Land Development Ser	Y	(2.00)
WH6399	LA POSADA MEZZ WHOLE LOAN	17.17	99.25	17.04	Hotel	Mezz	Gencom	Y	(2.00)
WC16	254 PARK AVE-MEZZ WHOLE LOAN	20.70	99.68	20.63	Multifamily	Mezz	Tri-Realty Management	N	(2.00)
SJ42	Kojaian - Alpha Tech	6.25	76.81	4.80	Land	First	Kojaian Management Co.	Y	(1.60)
ST67	LB SMC/ LIVONIA LLC	6.45	64.18	4.14	Office	Equity	Kojaian Management Co.	Y	(1.00)
TQ78	LB Seth	7.70	38.91	3.00	Multifamily	Equity	Venterra Properties, Inc.	Y	4.70
SK10	Kamalani	38.48	10.06	3.87	Land	Equity	CL Ocean Villas, LLC	N	6.53
QZ01/QZ01Z	JFK Equity	-	100.00	5.61	Other	Equity	LCOR/Schiphol/LB	N	9.47
WD86	The Verve	11.11	100.00	11.11	Condos	Equity	1636372 Ontario Limited	N	9.69
		1,060.59	80.91	858.15					(218.73)
<b>Tier 3</b>									
WB68	NORTH PEAK	29.91	62.14	18.58	Land	First	Troxler Ventures Partners, Inc.	Y	(13.58)
VB42 & VB43	Boulder Springs	74.40	56.31	41.90	Land	First	Troxler Ventures Partners, Inc.	N	(7.40)
VU97	PETRINI BAKERSFIELD	55.02	62.42	34.34	Land	First	TVP Asset, Inc.	Y	(7.00)
VK93	Teachers Senior Loan	54.15	89.82	48.64	Office	First	Kojaian Management Co.	Y	(6.74)
WE184	MIDDLE MOUNTAIN WHOLE LOAN	36.60	82.89	30.34	Land	First	Nick Bonanno and Allen Jenkins	Y	(6.64)
WH6431/WH6432/WH6433	LB Bell Road (Nashville Profolio)	52.53	87.35	45.89	Multifamily	First/Mezz/Equi	New Dawn	Y	(6.11)
SN71&SN71B	LB SOUTH BEACH LLC WHOLE LOAN	136.28	64.75	75.29	Hotel	Debt/Equity	Setai Owners	Y	(5.55)
WH6531	WSG PRISM W PALM BEACH	21.00	99.00	20.79	Land	First	WSG Development Company	N	(4.70)
WH6229	Highland Parc Mezz	7.93	99.36	7.88	Multifamily	Mezz	Lyon Capital Ventures, LLC	N	(3.96)
WH4591	LB ONE 11 PLAZA LLC WHOLE LOAN	11.81	100.00	11.81	Office	Equity	BL One 11 Plaza, LLC	Y	(3.71)
WH5712	Orlando Assets Acquisition	196.96	75.56	148.82	Multifamily	REO	N/A	Y	(3.32)
WH6138	PRESTIGE PORTFOLIO	56.75	100.00	56.75	Multifamily	Equity	ACPRES PRS Member	N	(3.21)
WE312	LB DAV LLC WHOLE LOAN	6.59	97.36	6.42	Office	Equity	Eola Capital	N	(2.77)
WE232	LB AVONDALE LLC	4.46	100.00	4.46	Retail	Equity	Troast Properties of Arizona	Y	(2.46)
WH6237/8055	Ridge Crossing	29.33	96.59	28.33	Multifamily	Equity	New Dawn	Y	(2.31)
ST67	LB SMC/ LIVONIA LLC	6.45	64.18	4.14	Office	Equity	Kojaian Management Co.	Y	(1.64)
WE269	Congressional Village	11.35	100.00	11.35	Multifamily	Equity	Stellar Housing Partners XVI, LLC	Y	(1.35)
WH5867	Greenhouse Holcomb Bridge Mezz	6.26	99.29	6.22	Multifamily	Mezz	Lyon Capital Ventures, LLC	N	(1.02)
WH1747	VILLAGE OAKS B NOTE WHOLE LOAN	12.13	40.44	4.90	Multifamily	Second	EB Developers Inc.	N	(0.40)
WE234	LB/L Edenbridge II	4.30	100.00	4.30	Multifamily	Equity	Lakeside	Y	(0.25)
UC97	Troxler 18 (Little Tokyo)	20.67	85.49	17.67	Condos	Equity	Troxler Ventures Partners, Inc.	Y	(0.10)
VA94&WE152	LB AZURE OF LIDO LLC	7.77	98.22	7.63	Land	Debt/Equity	Gencom	Y	(0.08)
WH5561	CLEMSON SENIOR WHOLE LOAN	26.63	98.49	26.22	Land	First	RWO Acquisitions LLC	N	(0.05)
VK31	LB EL CAJON LLC WHOLE LOAN	10.85	100.00	10.85	Land	Equity	Douglas Wilson Development, LLC.	Y	(0.04)
VE78	Troxler 34 Marina Lofts	24.90	15.02	3.74	Land	Equity	Troxler Ventures Partners, Inc.	Y	(0.00)
VU03	LB CRV XL LLC	6.82	56.03	3.82	Land	Equity	Capstone Advisors, Inc.	Y	-
UD39/UD39Z	LB PARK CENTRAL (ORLANDO) LLC	0.00	121.65	3.65	Multifamily	Equity	Bainbridge Companies	N	0.00
UG33	Troxler 14	7.13	85.96	6.12	Land	Equity	Troxler Ventures Partners, Inc.	Y	0.38
VF79	Houston Apartments	11.79	62.08	7.32	Multifamily	Mezz	Mark Broxmeyer & Mark Frankel	N	0.68
WE13	Troxler 40	8.21	63.45	5.21	Multifamily	Equity	D2 Construction	Y	0.81
WE209	SCOTTSDALE TECHNOLOGY CENTER W	8.22	69.07	5.68	Office	Mezz	Crown Realty & Development	Y	0.92
SM72	Colorado Springs	10.56	100.04	10.56	Land	Equity	RAL Companies	Y	0.96
UC24	Troxler 16	10.02	68.58	6.87	Land	Equity	Troxler Ventures Partners, Inc.	Y	1.27
WC92 & WD07	LB Spring Creek Investors LLC	35.11	85.57	30.04	Multifamily	Equity	Lyon Capital Ventures, LLC	N	1.41
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UB95	Troxler - Palomar Ridge	21.36	15.72	3.36	Land	Equity	Troxler Ventures Partners, Inc.	Y	2.77

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WB00	GILBERT TOWN CENTER	20.95	97.79	20.48	Land	First	Dupont Fabros Development	Y	3.00
WH5746	LB BP RESIDENTIAL 1A LLC	12.86	100.00	12.86	Land	Equity	MR BP Residential #1A Capital LLC	N	5.70
WH5747	LB BP RESIDENTIAL 1B LLC	10.02	100.00	10.02	Land	Equity	MR BP Residential #1B Development LLC	N	5.99
WH1949/WH1951/WE68	LeCraw Portfolio	62.31	86.84	54.11	Multifamily	Debt/Equity	Lyon Capital Ventures, LLC	N	6.32
		<u>1,212.46</u>	<u>75.73</u>	<u>918.18</u>					<u>(46.68)</u>
								<b>Grand Total</b>	<b><u>(713.56)</u></b>

**BRIDGE EQUITY POTENTIAL WRITE-DOWNS**

7/31/2008

<b>MTS</b>	<b>Position Name</b>	<b>(June 08) Face</b>	<b>(June 08) Mark</b>	<b>(June 08) Basis</b>	<b>Property Type</b>	<b>Pricing Variance</b>	<b>Marks taken July 08</b>
WH5856	237 PARK BRIDGE MEZZ 1 and II	310.00	90.97	282.00	Office	(45)	
WH8013	200 Fifth Avenue LB Syndication	217.30	96.75	210.40	Office	(30)	
WH6272	PLF LB Syndication	574.40	79.46	456.40	Industrial	(100)	
WH5846	Rosslyn LB Syndication	310.00	89.15	276.40	Office	(30)	
WH5978	Austin Portfolio LB Syndication	147.50	83.12	122.60	Office	(30)	
WE279	LB Atlanta Area Portfolio	73.07	89.68	65.53	Office	(15)	
	Various					<u>(50)</u>	
							(300)

COMMERCIAL POTENTIAL WRITE-DOWNS

7/31/2008

MTS#	Asset Name	Face	Mark	Basis	Lien Type	Prop Type	Coupon	Mat Date	Pricing Variance	Marks taken July 08
WH8877 /										
WH6460 /	CALWEST	131.35	89.21	117.18	Mezz	INDUST	4.76%	6/9/2012	(10)	
WH6433	NASHVILLE PORTFOLIO MEZZ	32.13	86.74	27.87	Mezz	MULTI	12.12%	8/11/2012	(2)	
WH5293/	25 Broad	367.20	95.29	349.91	Mezz	MULTI	6.41%	3/9/2010	(40)	(40)
WH6328										
/6329/6330										
/6332	EOP Austin	286.80	78.87	226.21	B Note	OFFICE	6.05%	6/11/2017	(54)	(50)
WH6196 /					First /					
6197	GRAND PRIX	363.66	95.40	346.95	Mezz	HOTEL	4.51%	7/9/2012	(30)	
WH5832/					First /					
5551	SNOWMASS	27.58	100.00	27.58	Second	MULTI	5.02%	3/1/2011	(4)	
WH2119/					First /					
2117	CUMBERLAND	19.07	96.43	18.39	Second	MULTI	4.71%	6/9/2011	(4)	
WH8870/					First /					
5061	ALBERTSON II OPEN STORE	155.55	95.15	148.01	Mezz	RETAIL	3.91%	3/1/2012	(5)	
	Various								(50)	
									<u>(200)</u>	<u>(90)</u>

PTG POTENTIAL WRITE-DOWNS

7/31/2008

MATS	Position Name	(June 08) Face	(June 08) Mark	(June 08) Basis	Property Type	Lien Type	Sponsor/Borrower	Pricing Variance	Marks taken July 08
WH8772/WH879	Exhibition City	366.24	89.19	326.66	Land	First/Mezz	Blue Diamond Ventures	(40)	
VL67	COMMONS OF MCLEAN	178.26	86.37	153.97	Multifamily	First	Monument Realty	(35)	(35)
WH5712	Orlando Assets Acquisition	196.96	75.56	148.82	Multifamily	REO	N/A	(30)	(30)
UC01	MONUMENT REALTY LINE WHOLE LO	43.47	83.72	36.40	Other	Other	Monument Realty	(30)	
TI94	LB WEST BAY DEVELOPMENT LLC WH	79.59	82.19	65.42	Multifamily	REO	N/A	(30)	
UD13	PCCP LB Mountain House	83.25	63.51	52.87	Land	Equity	PCCP	(30)	
WH6138	PRESTIGE PORTFOLIO	56.75	100.00	56.75	Multifamily	Equity	ACPRE PRS Member	(24)	
VB42 & VB43	Boulder Springs	74.40	56.31	41.90	Land	First	Troxler Ventures Partners, Inc.	(20)	
WH4305	MONTELCUCIA HOTEL & VILLAS MEZZ	36.49	83.72	30.55	Land	Mezz	Crown Realty & Development	(20)	
VU97	PETRINI BAKERSFIELD	55.02	62.42	34.34	Land	First	TVP Asset, Inc.	(17)	
WH8861	GREENWICH PLACE ACQUISITION LL	147.14	79.80	117.41	Multifamily	REO	N/A	(17)	
UA29	PCCP LB Mariposa Lakes	25.36	60.06	15.23	Land	Equity	PCCP	(15)	(15)
WD87	TERRAZAS RIVER PARK VILLAGE WH	13.41	99.00	13.28	Multifamily	Mezz	Windsor Capital Corporation and B Dev	(13)	(13)
WH6431/WH64									
32/WH6433	LB Bell Road (Nashville Protfolio)	52.53	87.35	45.89	Multifamily	First/Mezz/Equi	New Dawn	(13)	
WH6237/8055	Ridge Crossing	29.33	96.59	28.33	Multifamily	Equity	New Dawn	(11)	
VH27	LB NWP LLC LB NWP LLC	11.97	100.00	11.97	OFFICE	Equity	FIC NWP, LLC	(11)	
WH8863	GREENWICH OAKS ACQUISITION LLC	103.52	79.92	82.73	Multifamily	REO	N/A	(10)	
WH6531	WSG PRISM W PALM BEACH	21.00	99.00	20.79	Land	First	WSG Development Company	(10)	
SF35Z	PCCP Roseville/Fiddymnt	2.50	400.00	10.00	Land	Equity	PCCP	(10)	
VK93	Teachers Senior Loan	54.15	89.82	48.64	Office	First	Kojaian Management Co.	(10)	
VH34	222 BROADWAY 222 BROADWAY	9.51	100.00	9.51	Industrial	Mezz	Pacific Properties & Dev. LLC	(10)	
WE40	POTOMAC PLACE MEZZANINE WHOLE	9.10	99.00	9.01	Multifamily	Mezz	Monument Realty	(9)	
WH4767	COLONIAL GRAND AT BAYSHORE SEN	49.91	74.20	37.04	Multifamily	First	Sunvest Communities	(9)	(9)
WH5746	LB BP RESIDENTIAL 1A LLC	12.86	100.00	12.86	Land	Equity	Monument Realty	(9)	
WH5747	LB BP RESIDENTIAL 1B LLC	10.02	100.00	10.02	Land	Equity	Monument Realty	(9)	
WE116	LB BP RESIDENTIAL 1B LLC	19.40	100.00	19.40	Land	Mezz	The Related Group of Florida	(9)	
WH1949/WH19									
51/WE68	LeCraw Portfolio	62.31	86.84	54.11	Multifamily	Debt/Equity	Lyon Capital Ventures, LLC	(9)	
VE09	LB WATERGATE LLC	8.96	95.74	8.58	HOTEL	Equity	Monument Realty	(9)	
WH6237	LB RIDGE CROSSING LLC WHOLE LO	13.84	92.77	12.84	MULTIFAMIL	Equity	New Dawn	(8)	
UC24	Troxler 16	10.02	68.58	6.87	Land	Equity	Troxler Ventures Partners, Inc.	(8)	
WE184	MIDDLE MOUNTAIN WHOLE LOAN	36.60	82.89	30.34	Land	First	Nick Bonanno and Allen Jenkins	(8)	
VQ97	LB Bethesda 8400 LLC	8.68	96.66	8.39	Land	Equity	Crimson Capital	(8)	
WH8667	SWENSON LAND LLC WHOLE LOAN	41.03	78.61	32.25	Land	REO	N/A	(8)	(8)
UG68	THE MARK- PARK LOFTS LLC	16.01	77.17	12.35	MULTIFAMIL	Equity	Douglas Wilson Development, LLC.	(7)	(7)

(516)

(117)

FOIA CONFIDENTIAL TREATMENT REQUESTED BY LEHMAN BROTHERS HOLDINGS INC.

LBHL\_SEC07940\_2258772

MTS	Position Name	(June 08) Face	(June 08) Mark	(June 08) Basis	Property Type	Lien Type	Comment	Jul-08 Marks
<b>US PTG</b>								
VL67	COMMONS OF MCLEAN	178	86	154	Multifamily	First	Collateral consists of 23 multifamily buildings containing 567,042 rentable SF located in McLean, VA. Lehman mortgage on the property matured again on 8/10/07, and was extended to 8/10/08. The original business plan was to demolish existing buildings, obtain higher density permits following the Metrorail extension. Currently looking to sell the asset as-is. Mark based on recent bid.	(35)
WH5712	Orlando Assets Acquisition	197	76	149	Multifamily	REO	A failed condo project in Orlando, FL. LB looking to sell as a rental. Mark based on recent bid.	(30) ✓
UA29	PCCP LB Mariposa Lakes	25	60	15	Land	Equity	1,869 acres of unimproved land located in Stockton, CA. PCCP is still working towards entitling the land, and finalizing a development and financing agreement with the city. LB walking away from deal.	(15) ✓
UG68	THE MARK- PARK LOFTS LLC	16	77	12	Multifamily	Equity	244 unit condo development in San Diego, CA that is currently 50% sold. 7/1/08 IRR model provided by Timont is showing a total loss of our equity position. Based on \$30mn soft offer from borrower to buy us out. After paying off debt on the deal, required mark on equity is \$7mn.	(7) ✓
WH4767	COLONIAL GRAND AT BAYSHORE SEN	50	74	37	Multifamily	First	The Project consists of the conversion of an existing 376-unit Class B+ apartment complex located in Bradenton, FL. Foreclosure filed in Manatee Circuit Court on 2/7/08. Property is 80% leased with 49 move-ins scheduled for 2/15/08, which are short term 7 month leases. Based upon the business's review of the Florida market, this position was marked down by \$12M in Jan-08. Mark based on recent bid.	(9) ✓
VQ97	LB Bethesda 8400 LLC	9	97	8	Multifamily	Equity	LB walking away from deal; Need to write-off position	(8) ✓
WD87	Terrazas River Park Village	13	99	13		Mezz	LB walking away from deal; Need to write-off position	(13) ✓
	<b>Total US PTG</b>							<b>(118)</b> ✓
<b>US Commercial</b>								
	25 Broad	368	95	351	Condo	Senior	A 346-unit condo project in downtown Manhattan. Less than 50 units sold since origination about 3 years ago. Foreclosure is imminent.	(40)
	Broadway III	460	92	424	Office	Mezz	High LTV (mid-90s) bridge mezz positions on Broadway's acquisition of Beacon Fund III. Bridge mezz matures in May-09. Significant refinancing risk.	(100)
	Various	N/A		N/A			Deals currently circled and expected to close by end of August. Detail to follow from business	(50)
	<b>Total US Commercial</b>							<b>(190)</b>
<b>Europe</b>	Various						Detail to follow from business	(70)
<b>Asia</b>	Various							(25)
<b>Global Total</b>								<b>(403)</b>

3/24/08

324 visit ground condo man:

rise on workout extend loan & collat → 45 Broad  
rental 40 million

Disc with Guy on 4 units falling

20 years

1st 2 are debt N/A N/A ↑  
Other 2 are defunct rentals not there  
Credit issue cap

BS true-up  
 • 5 bonds missing (not on ledger) 10mm  
 • Mission Cap  
 City Ltd  
 Big Apple

budget to demolish

Per business plan is to get planning 30 year

82

FOIA CONFIDENTIAL TREATMENT REQUESTED  
 BY LEHMAN BROTHERS HOLDINGS INC.

LBHL\_SEC07940\_2258774

Deal Balance (AsOf 06-05-2008) - Total

*KCCF Mariposa → walking away*

*build out all condos.*

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
VL67	R05A12	Commons of McLean	178,261,706	86	153,967,325	1st Lien	Multi Family	7%	103,363,060	(50,604,265)	(35,000,000)	(15,604,265)	<i>fier 1 (bids)</i>
T194	RP7A38	LB WEST BAY DEVELOPMENT LLC	79,590,928	82	65,418,945	REO	Condo	20%	34,742,978	(30,675,967)	(30,000,000)	(675,967)	<i>Not going to</i>
WH5712	R07C23	ORLANDO ASSETS ACQUISITION LLC	196,957,949	76	148,819,029	REO	Multi Family	6%	119,680,086	(29,138,942)	(30,000,000)	861,058	<i>fier 1 (bids)</i>
UC01	R04A72	MONUMENT REALITY LINE	43,474,062	84	36,395,178	Line of Credit	Other	NA	NA	NA	(30,000,000)	-	<i>fier 1 (bids)</i>
WH6138	R07B97	PRESTIGE PORTFOLIO	56,750,139	100	56,750,139	Equity	Multi Family	15%	32,292,881	(24,457,258)	(24,457,258)	-	<i>fier 1 (bids)</i>
VB43	R04A08	BOULDER SPRINGS <i>tree 1 (discrate)</i>	42,750,000	98	41,895,000	1st Lien	Land - Residential	16%	29,139,370	(12,755,630)	(20,000,000)	244,370	<i>tree 1 (discrate)</i>
WH4305	R07A46	MONTEUCIA HOTEL & VILLAS MEZZ <i>USAA over budget</i>	36,491,004	84	30,549,497	Mezzanine	Land - Residential	7%	40,002,650	9,453,152	(20,000,000)	29,453,152	OK
VU97	R05B10	PETRINI BAKERSFIELD	55,017,754	62	34,341,373	1st Lien	Land - Residential	25%	23,355,702	(10,985,671)	(17,000,000)	6,014,329	OK
WH8861	R06A32	GREENWICH PLACE ACQUISITION LL	146,106,367	80	116,591,500	REO	Multi Family	6%	100,000,000	(16,591,500)	(16,591,500)	-	<i>fier 1</i>
WH6431	R07C21	LB BELL ROAD (NASHVILLE) PORTF	15,600,689	87	13,600,689	Equity	Multi Family	15%	1,024,090	(12,576,599)	(12,576,599)	-	<i>fier 1 levered 15</i>
UC68	R04A95	THE MARK- PARK LOFTS LLC	16,007,679	77	12,353,373	Equity	Condo	20%	3,531,128	(8,822,245)	(12,353,373)	-	<i>tree 1 walking away?</i>
VH27	R04A35	LB NWP LLC	11,970,000	100	11,970,000	Equity	Office	15%	1,026,558	(10,943,442)	(10,943,442)	-	<i>fier 1</i>
WH8863	R06A32	GREENWICH OAKS ACQUISITION LLC	102,984,010	80	82,302,103	REO	Multi Family	6%	72,000,000	(10,302,103)	(10,302,103)	-	<i>fier 1</i>
WH6531	R07B11	WSG PRISM W PALM BEACH	21,000,000	99	20,790,000	1st Lien	Land - Non Residential	7%	8,211,605	(12,578,395)	(10,000,000)	(2,578,395)	
WH4767	R07A19	COLONIAL GRAND AT BAYSHORE SEN <i>dead in view</i>	49,912,639	74	37,036,433	1st Lien	Multi Family	7%	37,419,675	383,242	(10,000,000)	10,383,242	<i>bid at 27m</i>
VK93	R99A01	TEACHERS SENIOR LOAN	54,150,793	90	48,638,946	1st Lien	Office	7%	49,704,423	1,065,477	(10,000,000)	11,065,477	OK
VH34	R04A02	222 BROADWAY	9,510,077	100	9,510,077	Mezzanine	Land - Residential	18%	-	(9,510,077)	(9,510,077)	-	Irvine
WE40	R02A16	POTOMAC PLACE MEZZANINE <i>dead in view</i>	9,100,000	99	9,008,992	Mezzanine	Condo Conversion	12%	9,442,720	433,729	(9,008,992)	9,442,721	OK
WH5746	R07C45	LB BP RESIDENTIAL 1A LLC	12,862,477	100	12,862,477	Equity	Land - Non Residential	20%	3,227,233	(9,635,244)	(9,000,000)	(635,244)	
WH5747	R07C46	LB BP RESIDENTIAL 1B LLC	10,024,425	100	10,024,425	Equity	Land - Non Residential	20%	821,095	(9,203,330)	(9,000,000)	(203,330)	
WE116	R06B14	OASIS	19,400,000	100	19,400,000	Mezzanine	Land - Residential	17%	27,009,169	7,609,169	(9,000,000)	16,609,169	OK
WE68	R06A56	LB LECRAW PORTFOLIO LLC	14,780,284	73	10,780,207	Equity	Multi Family	15%	2,162,761	(8,617,446)	(8,617,446)	-	OK
VQ97	R05A35	LB BETHESDA 8400 LLC	8,674,768	97	8,385,234	Equity	Land - Residential	20%	12,070,305	3,685,071	(8,385,234)	12,070,305	OK
WH6237	R07C12	LB RIDGE CROSSING LLC	13,835,942	93	12,835,942	Equity	Multi Family	15%	4,521,365	(8,314,578)	(8,314,578)	-	OK
WD87	R06B11	TERRAZAS RIVER PARK VILLAGE	13,410,572	99	13,276,283	Mezzanine	Land - Residential	21%	15,164,482	1,888,199	(8,276,000)	10,164,199	OK
UC24	R04A53	LB TROXLER RESID VENTURES 16	10,017,463	69	6,869,506	Equity	Land - Non Residential	20%	-	(6,869,506)	(8,142,217)	1,272,711	Irvine
WE184	R06A78	MIDDLE MOUNTAIN	36,595,560	83	30,335,610	1st Lien	Land - Residential	13%	28,201,361	(2,134,249)	(8,000,000)	5,865,751	OK
WH8667	R04A97	SWENSON LAND LLC	41,027,520	98	40,253,081	REO	Multi Family	8%	41,308,261	1,055,180	(8,000,000)	9,055,180	OK
WE13	R06A65	LB TROXLER RES VENT 40 LLC	8,208,000	63	5,207,815	Equity	Land - Non Residential	20%	-	(5,207,815)	(6,015,765)	807,949	Irvine
SH16	RP7A30	LB THUNDER SPRINGS	29,616,973	54	15,986,620	Equity	Condo	20%	9,596,391	(6,390,229)	(6,000,000)	(390,229)	<i>78% res. unit</i>
WB00	R05A20	GILBERT TOWN CENTER	20,947,079	98	20,484,323	1st Lien	Land - Residential	5%	16,582,659	(3,901,664)	(6,000,000)	2,098,336	OK
WH9020	R07A71	LB WHITEFACE LODGE LLC	36,000,000	74	26,752,091	REO	Condo	9%	30,345,428	3,593,336	(6,000,000)	9,593,336	OK
WH9035	R06A21	CARILLON B-NOTE	128,112,132	90	115,138,651	1st Lien	Land - Residential	9%	128,112,132	12,973,481	(6,000,000)	18,973,481	OK
VU70	R05B10	LB TROXLER RES VENT 15 LLC	10,598,184	-	-	Equity	Land - Residential	20%	-	-	(5,796,689)	5,796,689	Irvine
TP67	R05A02	LB 1200 MAIN PARTNER LLC	5,178,636	100	5,178,637	REO	Condo Conversion	20%	(1,170,594)	(6,349,231)	(5,178,637)	(1,170,594)	
WB68	R05A86	NORTH PEAK	29,907,042	62	18,583,614	1st Lien	Land - Residential	20%	7,833,312	(10,750,302)	(5,000,000)	(5,750,302)	Irvine
WH4591	R07A37	LB ONE 11 PLAZA LLC	11,810,100	100	11,810,100	Equity	Office	15%	4,380,100	(7,430,000)	(5,000,000)	(2,430,000)	Irvine
WE269	R06A47	LB CONGRESSIONAL VILLAGE LLC	11,346,913	100	11,346,913	Equity	Multi Family	15%	5,547,063	(5,799,850)	(5,000,000)	(799,850)	
WE307	R06A27	EMERALD DUNES MEZZ	7,703,865	99	7,625,751	Mezzanine	Other	12%	7,881,000	255,250	(5,000,000)	5,255,250	OK
WH6529	R07B34	WSG INDRIO	20,000,000	99	19,800,000	1st Lien	Land - Non Residential	9%	21,717,203	1,917,203	(5,000,000)	6,917,203	OK
WH5900	R07B71	WSG HOLLYWOOD	15,798,564	99	15,636,502	1st Lien	Land - Non Residential	12%	18,108,044	2,471,542	(5,000,000)	7,471,542	OK
WE117	R06A36	ICON BRICKELL	11,000,000	99	10,903,088	Mezzanine	Land - Residential	17%	15,519,011	4,615,922	(5,000,000)	9,615,922	OK
TD83	R04A91	RIVER SOUND DEVELOPMENT LLC	23,185,462	89	20,519,862	REO	Land - Non Residential	NA	NA	NA	(5,000,000)	-	
SM72	R00A13	LB COLORADO SPRINGS LLC	10,560,032	100	10,564,745	Equity	Land - Residential	NA	NA	NA	(5,000,000)	-	
UB95	R05A67	LB TROXLER RESIDENTIAL VENTURES	21,357,000	16	3,357,000	Equity	Single Family	20%	-	(3,357,000)	(4,933,060)	1,576,060	Irvine
WC92	R06B07	LB SPRING CREEK INVESTORS LLC	8,706,817	51	4,409,511	Equity	Multi Family	15%	-	(4,409,511)	(4,409,064)	(447)	
WD17	R06A19	LB BRENTWOOD LLC	4,715,934	100	4,715,934	Equity	Land - Non Residential	20%	-	(4,715,934)	(4,400,000)	(315,934)	Irvine
WH6448	R07B90	LB EAST 46TH STREET LLC	4,373,012	100	4,373,012	Equity	Condo	20%	4,623,763	250,751	(4,373,000)	4,623,751	OK
RK06	R98A06	1180 RAYMOND	9,480,184	89	8,395,319	Equity	Multi Family	15%	4,134,434	(4,260,885)	(4,260,885)	-	
WH8579	R07C99	LB SOMERSET LLC	7,409,593	99	7,335,498	Equity	Office	15%	3,088,924	(4,246,573)	(4,246,573)	-	
SM38	R00A06	KOJAIAN NORTHVILLE TECH PARK	13,748,697	63	8,619,547	1st Lien	Land - Non Residential	10%	4,396,886	(4,222,661)	(4,222,661)	-	
VK31	R05A46	LB EL CAJON LLC	10,852,700	100	10,852,700	Equity	Retail	15%	6,767,412	(4,085,288)	(4,181,653)	96,366	Irvine
WH5561	R07A18	CLEMSON SENIOR	26,627,496	98	26,224,322	1st Lien	Land - Residential	14%	22,045,426	(4,178,896)	(4,178,896)	-	
VU71	R04A01	LB EAST OCEAN LLC	4,150,000	100	4,150,000	Equity	Land - Residential	20%	-	(4,150,000)	(4,150,000)	-	Irvine
VY58	R05A02	1200 MAIN LOAN	38,334,266	90	34,528,454	1st Lien	Condo Conversion	5%	40,203,720	5,675,266	(4,100,000)	9,775,266	OK
SN71	R00A35	LB SOUTH BEACH LLC	116,275,094	65	75,292,232	Equity	Lodging	15%	68,283,718	(7,008,514)	(4,000,000)	(3,008,514)	
WC62	R06B01	RIVERWALK SQUARE	18,720,000	99	18,532,751	Mezzanine	Condo	20%	13,791,127	(4,741,624)	(4,000,000)	(741,624)	
WH5745	R07C44	LB BP OFFICE 1 LLC	28,828,386	100	28,828,386	Equity	Land - Non Residential	20%	24,184,849	(4,643,537)	(4,000,000)	(643,537)	
VU03	R05A40	LB CRV XL LLC	6,823,293	56	3,823,293	Equity	Land - Residential	20%	-	(3,823,293)	(3,823,293)	-	Irvine
VE78	R04A60	TROXLER RESIDENTIAL VENTURES34	24,895,240	15	3,738,284	Equity	Land - Residential	20%	-	(3,738,284)	(3,738,284)	(0)	Irvine
VG56	R04A59	LB TROXLER RESIDENTIAL VENTURE	6,400,000	58	3,700,000	Equity	Land - Residential	20%	18,724	(3,681,276)	(3,681,276)	-	Irvine
UD39Z	R04A39	LB PARK CENTRAL LLC	3,000,000	122	3,649,464	Equity	Land - Non Residential	20%	(1)	(3,649,465)	(3,650,000)	535	
WE312	R06A48	LB DAV LLC	6,592,349	97	6,418,396	Equity	Office	15%	3,217,151	(3,201,245)	(3,650,000)	448,755	
VL62	R05A68	LB TROXLER RES VENTURES 23 LLC	11,501,668	30	3,406,668	Equity	Land - Non Residential	20%	1,124,561	(2,282,107)	(3,406,668)	1,124,561	OK
WH5749	R07B63	LB BALLPARK 2 LLC	5,562,509	100	5,562,509	Equity	Land - Non Residential	20%	2,255,572	(3,306,937)	(3,306,937)	-	
VE96	R04A68	LERNO VERHAGEN	10,152,269	100	10,152,269	Mezzanine	Land - Residential	12%	4,413,155	(5,739,114)	(3,239,000)	(2,500,114)	Irvine
VY27	R05A24	KOJAIAN OLIVER MEZZ	8,000,000	46	3,660,493	Mezzanine	Office	12%	608,095	(3,052,399)	(3,052,399)	-	
WH8055	R07C12	LB RIDGE CROSSING PREFERRED LL	15,493,077	100	15,493,077	Equity	Multi Family	15%	12,488,603	(3,004,474)	(3,004,474)	-	
UG33	R04A52	LB TROXLER RESID VENT 14 LLCLB	7,125,000	86	6,125,000	Equity	Land - Non Residential	20%	3,475,508	(2,649,592)	(3,000,000)	350,408	Irvine

FOIA CONFIDENTIAL TREATMENT REQUESTED  
 BY LEHMAN BROTHERS HOLDINGS INC.

Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference		Comment
UC97	R04A54	LB TROXLER RESIDENTIAL VENTURE	20,668,877	85	17,668,907	Equity	Condo	20%	15,354,094	(2,314,813)	(3,000,000)	685,187	OK	Irvine
WH6410	R07C59	LP CROSEY LLC	3,000,000	100	3,000,000	Equity	Healthcare	15%	2,039,586	(960,414)	(3,000,000)	2,039,586	OK	
VT91	R05A71	LB TROXLER RES VENT 29 LLC	14,175,900	21	2,976,121	Equity	Land - Non Residential	20%	-	(2,976,121)	(2,976,121)	0		Irvine
UG45	R04A21	LA PALOMA BRIDGE LOAN	6,373,107	68	4,333,799	1st Lien	Land - Residential	12%	9,635,826	5,302,027	(2,800,000)	8,102,027	OK	Irvine
WE264	R06B17	EAGLE RANCH	9,780,769	99	9,660,290	1st Lien	Office	8%	9,990,848	330,559	(2,695,383)	3,025,941		Irvine
VY40	R05B12	LB PHILADELPHIA RESIDE	5,324,621	100	5,324,621	Equity	Land - Residential	20%	2,710,468	(2,614,153)	(2,614,153)	-		
SZ02	R04A28	LB FORT LEE LLC	3,659,885	264	9,660,003	Equity	Office	15%	5,528,773	(4,131,231)	(2,600,000)	(1,531,231)		
VA94	R04A06	LB AZURE OF LIDO LLC	2,672,800	96	2,559,908	Equity	Land - Residential	20%	-	(2,559,908)	(2,559,908)	-		
SX50	R01A14	LB SPRING CREEK LLC	3,166,146	80	2,530,698	Equity	Condo	NA	NA	NA	(2,530,698)	-		
UE70	R04A30	LB HEMET 55-CRV XXV	2,520,134	100	2,520,134	Equity	Land - Residential	20%	345,446	(2,174,689)	(2,520,000)	345,311		Irvine
VT64	R06B26	LB WEST CAICOS LLC	13,120,000	100	13,120,000	Equity	Land - Residential	20%	10,680,032	(2,439,968)	(2,500,000)	60,032		
WE65	R06A85	LB-L PACER COLLEGE PARK PA2 LL	10,984,682	35	3,875,510	Mezzanine	Single Family	12%	1,423,769	(2,451,741)	(2,451,741)	-		Irvine
WD23	R06A84	OTAY MESA	16,158,554	99	15,938,046	1st Lien	Land - Non Residential	8%	16,078,703	140,657	(2,434,371)	2,575,029		Irvine
SS96	R01A07	NORTHMILFORD WEST RETAIL	11,150,000	91	10,095,873	1st Lien	Land - Non Residential	10%	8,319,783	(1,776,090)	(2,200,000)	423,910		
WH5773	R07B32	LB MIDTOWN MEMPHIS LLC	2,189,034	100	2,189,034	Equity	Land - Non Residential	20%	-	(2,189,034)	(2,189,034)	-		
VB91	R04A24	LAUREL BAY	2,247,557	94	2,111,386	1st Lien	Condo Conversion	6%	2,259,381	147,994	(2,111,386)	2,259,381	OK	Irvine
WE10	R06B20	LB SNOQUALMIE	3,539,309	58	2,039,154	Equity	Office	20%	2,633,407	594,253	(2,039,154)	2,633,407		Irvine
VQ22	R05A70	LB TROXLER RES VENT 28 LLC	5,114,250	41	2,114,263	Equity	Land - Residential	20%	82,008	(2,032,255)	(2,032,255)	-		Irvine
WH5927	R07B76	LB 816 CONGRESS AVE LLC	23,173,515	55	12,633,830	Equity	Office	15%	10,632,896	(2,000,934)	(2,000,934)	-		
VE09	R04A99	LB WATERGATE LLC	8,959,869	96	8,578,414	Equity	Lodging	20%	3,517,271	(5,061,143)	(2,000,000)	(3,061,143)		
WE232	R06A42	LB AVONDALE LLC	4,460,000	100	4,460,000	Equity	Land - Non Residential	20%	9,030	(4,450,970)	(2,000,000)	(2,450,970)		Irvine
WH6530	R07B35	WSG POINSETTIA	3,400,000	99	3,366,000	1st Lien	Land - Non Residential	7%	1,726,127	(1,639,873)	(2,000,000)	360,127		
WH5123	R07A40	LB TACOMA ELKS LLC	2,000,000	100	2,000,000	Equity	Multi Family	15%	532,543	(1,467,457)	(2,000,000)	532,543	OK	Irvine
WB66	R06B16	URBAN RIVER	7,483,119	99	7,409,988	1st Lien	Land - Residential	20%	6,239,164	(1,170,824)	(2,000,000)	829,176	OK	
WH6399	R07C18	LA POSADA MEZZ	17,165,000	99	17,036,216	Mezzanine	Lodging	7%	17,338,115	301,899	(2,000,000)	2,301,899		
WC16	R06A04	254 PARK AVE-MEZZ	20,700,000	100	20,634,168	Mezzanine	Multi Family	9%	21,283,547	649,379	(2,000,000)	2,649,379		
VF79	R04A14	HOUSTON APARTMENTS	11,785,986	62	7,316,529	Mezzanine	Multi Family	11%	9,079,388	1,762,859	(2,000,000)	3,762,859	OK	
VV45	R05B19	LB LAS VEGAS LLC	2,486,489	80	1,986,489	Office	Office	20%	2,897,543	911,054	(1,986,489)	2,897,543		Irvine
WE209	R06B03	SCOTTSDALE TECHNOLOGY CENTER	8,222,967	69	5,679,914	Mezzanine	Office	13%	3,763,540	(1,916,374)	(1,916,374)	-		Irvine
TV18	R03A15	LB LORDE RANCH LLC-CRV XV	6,876,657	27	1,876,657	Equity	Land - Residential	20%	-	(1,876,657)	(1,800,000)	(76,657)		Irvine
VE89	R04A68	LB LERNO VERHAGEN CRV XXIX	3,301,088	53	1,761,332	Equity	Land - Residential	20%	-	(1,761,332)	(1,761,000)	(332)		Irvine
SR38	R04A75	PAMI ALPHA DRIVE	1,683,166	100	1,683,166	Equity	Office	15%	-	(1,683,166)	(1,683,166)	-		
WH6442	R07C61	NEW WEST MICHIGAN II INDUSTRIA	30,000,000	66	19,667,596	1st Lien	Industrial	8%	17,988,379	(1,679,217)	(1,679,217)	-		
WE233	R06A73	LB/L III DS VENTURES IV	3,510,188	100	3,510,188	Equity	Land - Residential	20%	1,902,125	(1,608,063)	(1,608,063)	-		Irvine
VW29	R05A15	LB EL DORADO LLC	2,214,954	100	2,214,954	Equity	Land - Non Residential	20%	621,015	(1,593,939)	(1,593,939)	-		Irvine
SZ09	RP7A11	LB 900 TOWER DRIVE LLC	1,527,252	100	1,527,252	Equity	Office	15%	998,857	(528,395)	(1,527,252)	998,857	OK	
WE38	R06A40	LB ARBORS AT WINTERS CHAPEL LL	2,950,528	49	1,450,488	Equity	Multi Family	15%	-	(1,450,488)	(1,450,488)	-		
WH5357	R07A59	SENECA MEZZ	1,498,405	99	1,480,772	Mezzanine	Land - Non Residential	14%	1,850,593	369,821	(1,450,000)	1,819,821	OK	Irvine
WH5851	R07B64	LB BALLPARK 6 LLC	3,000,500	100	3,000,500	Equity	Land - Non Residential	20%	1,554,555	(1,445,945)	(1,445,945)	-		
TG53	R04A67	LB/L ASW II MASTER LLC	16,718,492	95	15,850,459	Equity	Land - Residential	20%	14,488,819	(1,361,640)	(1,361,640)	-		Irvine
VV60	R05A72	LB TROXLER RES VENT 32 LLC/LB T	4,916,730	49	2,416,867	Equity	Land - Non Residential	20%	1,092,983	(1,323,884)	(1,323,884)	-		Irvine
WH4311	R07C17	250 EAST 49TH STREET MEZZ	20,211,055	99	20,047,934	Mezzanine	Condo	18%	18,764,693	(1,283,241)	(1,283,241)	-		
WE356	R07A67	LB TIRADOR LLC	8,064,000	100	8,084,000	Equity	Land - Non Residential	20%	6,790,690	(1,273,310)	(1,273,310)	-		Irvine
TM36	R02A10	LB NORCO LAND LLC-CRV V	18,736,655	78	14,666,490	Equity	Land - Non Residential	20%	13,403,137	(1,263,353)	(1,263,353)	-		Irvine
WH8708	R07D68	MAITLAND CENTER HOLDING LLC	4,139,738	100	4,139,738	Equity	Office	15%	3,399,016	(740,722)	(1,250,000)	509,278	OK	
VW79	R05A16	LB ELK GROVE LLC	2,245,470	55	1,245,470	Equity	Land - Non Residential	20%	-	(1,245,470)	(1,245,470)	-		Irvine
SN72	R00A11	LB 765 BROAD LLC	1,887,634	65	1,229,271	Equity	Office	15%	-	(1,229,271)	(1,229,271)	-		
WH4727	R07A41	LB VACAVILLE LLC	2,290,106	52	1,188,324	Equity	Land - Non Residential	20%	553,617	(634,707)	(1,188,324)	553,617	OK	Irvine
WH5867	R07B68	GREENHOUSE HOLCOMB BRIDGE MEZZ	6,262,915	99	6,218,425	Mezzanine	Single Family	10%	5,090,070	(1,128,354)	(1,128,354)	-		
WA54	R05A75	LB TROXLER RES VENT 38 LLC	3,762,000	100	3,762,000	Equity	Land - Residential	20%	2,579,427	(1,182,573)	(1,100,000)	(82,573)		Irvine
WH4947	R07A54	PLAZA CONDOMINIUMS LTD	28,870,741	25	7,307,406	REO	Condo	17%	6,235,628	(1,071,778)	(1,071,778)	0		
WH6229	R07C14	HIGHLAND PARC MEZZ	7,934,034	99	7,883,541	Mezzanine	Multi Family	10%	6,860,524	(1,023,017)	(1,023,017)	-		
WH1747	R06B24	VILLAGE OAKS B NOTE	12,125,029	40	4,902,838	2nd Lien	Condo Conversion	12%	1,425,515	(3,477,323)	(1,000,000)	(2,477,323)		
ST67	R01A08	LB SMC/ LIVONIA LLC	6,451,467	64	4,140,240	Equity	Office	15%	1,687,576	(2,452,664)	(1,000,000)	(1,452,664)		
WH5751	R07C51	LB Ballpark 4 LLC	2,307,103	100	2,307,103	Equity	Land - Non Residential	20%	-	(2,307,103)	(1,000,000)	(1,307,103)		
WE267	R06A41	LB ARCHSTONE WOODLANDS LLC	2,924,326	66	1,924,215	Equity	Multi Family	15%	-	(1,924,215)	(1,000,000)	(924,215)		
WH5750	R07C50	LB Ballpark 3 LLC	2,299,220	100	2,299,220	Equity	Land - Non Residential	20%	601,179	(1,698,041)	(1,000,000)	(698,041)		
TM59	R02A02	ASW LOS SANTEROS PHASE II	2,100,000	100	2,100,000	2nd Lien	Single Family	12%	491,209	(1,608,791)	(1,000,000)	(608,791)		Irvine
WE69	R06B21	LB NEV-SPANISH SPRINGS LLC	2,119,563	94	1,986,109	Equity	Land - Non Residential	20%	610,588	(1,375,521)	(1,000,000)	(375,521)		Irvine
V157	R05A21	LB HAVERHILL LLC	1,430,989	99	1,409,891	Equity	Multi Family	15%	533,196	(876,695)	(1,000,000)	123,305		
WE154	R06A67	LB WARWICK LLC	8,401,187	100	8,401,187	Equity	Land - Non Residential	20%	7,709,796	(691,391)	(1,000,000)	308,609		
VN60	R05A06	ALTOS DE MIAMI MEZZ	6,954,221	100	6,954,221	Mezzanine	Condo	25%	6,832,929	(121,292)	(1,000,000)	878,708	OK	
WH6432	R07D89	EQR PORTFOLIO LAND SENIOR	4,800,000	99	4,752,000	1st Lien	Multi Family	11%	4,943,157	191,157	(1,000,000)	1,191,157	OK	
WH6228	R07C13	LB METRO OFFICE LLC	7,011,000	100	7,011,000	Equity	Office	15%	7,349,615	338,615	(1,000,000)	1,338,615	OK	Irvine
TZ62	R03A13	LB HG NEWARK LLC	3,250,000	100	3,250,000	Equity	Office	15%	2,260,362	(989,638)	(989,638)	-		
WH5748	R07C47	LB BP HOTEL 1 LLC	3,126,139	100	3,126,139	Equity	Land - Non Residential	20%	2,150,275	(975,864)	(975,864)	-		
WH5565	R07A31	LB 655 ENGINEERING LLC	1,055,406	100	1,055,406	Equity	Office	15%	102,053	(953,352)	(953,352)	-		
WH5828	R07B53	LB OOC LLC	3,101,113	100	3,101,113	Equity	Office	15%	2,150,662	(950,451)	(950,451)	-		
WH9027	R05A89	LB SANCTUARY BAY HILL ACQUISIT	17,241,865	73	12,610,012	REO	Condo Conversion	8%	11,684,921	(925,092)	(925,092)	-		

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Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
SM03	RP7A39	LB/L DS VENTURES MASTER LLC	9,637,947	100	9,637,947	Equity	Single Family	20%	8,716,798	(921,149)	(921,149)	-	Irvine
WE300	R06A79	LB WA MILL CREEK LLC	1,662,793	100	1,662,793	Equity	Land - Non Residential	20%	830,728	(832,066)	(832,066)	-	Irvine
WE163	R06A96	PEBBLE L5	10,944,000	94	10,276,960	1st Lien	Land - Residential	16%	9,471,515	(805,445)	(805,445)	-	
VN90	R05B22	LB PALM DESERT LLC	1,725,288	42	725,288	Equity	Office	20%	1,815,344	1,090,056	(725,288)	1,815,344	OK Irvine
WE234	R07A43	LB/L III EDENBRIDGE II	4,296,449	100	4,296,449	Equity	Land - Residential	20%	3,603,053	(693,395)	(693,395)	-	Irvine
VU22A	R05A22	HERITAGE FIELDS BANKHAUS	250,000,000	98	246,192,718	1st Lien	Land - Residential	15%	208,338,959	(37,853,758)		(37,853,758)	
VU22	R05A22	HERITAGE FIELDS	276,148,734	93	257,161,096	1st Lien	Land - Residential	15%	230,130,159	(27,030,937)		(27,030,937)	Change
WH8668	R04A97	SWENSON CONSTRUCTION LLC	58,258,589	95	55,587,780	REO	Multi Family	6%	30,623,988	(24,963,793)		(24,963,793)	
VR76	R05A07	BICKFORD RANCH	30,000,000	77	23,050,000	Mezzanine	Land - Residential	18%	827,262	(22,222,738)		(22,222,738)	Irvine
WH5719	R07B19	DELTA COVE SENIOR	183,414,035	58	106,072,798	1st Lien	Land - Residential	20%	96,269,435	(9,803,363)		(9,803,363)	Change Irvine
VJ19	R05B16	SOUTH PARK IV	28,491,734	99	28,085,804	1st Lien	Land - Residential	12%	18,400,777	(9,685,028)		(9,685,028)	Irvine
WE231	R06A18	BIG ISLE VENTURES	40,549,812	97	39,356,093	1st Lien	Land - Non Residential	15%	30,736,108	(8,619,985)		(8,619,985)	Change Irvine
WH5989	R07B28	OTAY RANCH_SAN DIEGO_SR	82,924,346	95	78,773,496	1st Lien	Land - Non Residential	20%	70,836,865	(7,936,631)		(7,936,631)	Change Irvine
WE350	R06A82	OAK KNOLL & DEL AMO	141,736,118	94	132,546,534	1st Lien	Land - Non Residential	11%	125,713,282	(6,833,252)		(6,833,252)	Irvine
VR95	R05A07	SCC BICKFORD	5,000,000	80	4,000,000	Mezzanine	Land - Residential	12%	-	(4,000,000)		(4,000,000)	Irvine
WH8819	R07E03	230 PARK LB MEZZ HOLDINGS LLC	88,680,691	92	81,852,442	Equity	Office	15%	78,023,825	(3,828,617)		(3,828,617)	
SA53	R04A77	PAMI PUBLIC PRIVATE I	12,401,341	66	8,234,577	Equity	Other	20%	4,970,728	(3,263,849)		(3,263,849)	
WH9046	R04A75	ALPHA DRIVE	24,250,000	84	20,250,000	1st Lien	Office	0%	17,000,000	(3,250,000)		(3,250,000)	
SU34	R01A04	KOJAIAN BLOOMFIELD OPEN HUNT	14,250,000	40	16,757,599	1st Lien	Land - Residential	0%	3,110,381	(2,567,218)		(2,567,218)	
SJ42	R00A02	KOJAIAN ALPHA TECH	6,250,000	77	4,800,800	1st Lien	Land - Non Residential	10%	2,301,610	(2,499,190)		(2,499,190)	
WE223	R06A75	LOFT 44	14,544,451	99	14,355,942	1st Lien	Land - Residential	9%	11,864,933	(2,491,009)		(2,491,009)	
WE46	R06B26	MOLASSES REEF RESORT	126,714,460	96	122,130,389	1st Lien	Land - Residential	15%	120,013,721	(2,116,667)		(2,116,667)	Change
VD14	R04A48	LB SOUTH PARK III LLC	8,800,000	22	1,957,492	Equity	Land - Residential	20%	-	(1,957,492)		(1,957,492)	Irvine
TG34	RP7A16	LB FARMINGTON HILLS V LLC	13,500,491	63	8,500,312	Equity	Office	15%	6,795,616	(1,704,697)		(1,704,697)	
WH6401	R07B10	610 LEXINGTON BNOTE ACQ	18,232,810	92	16,787,455	2nd Lien	Land - Non Residential	15%	15,148,980	(1,638,475)		(1,638,475)	Change
VJ17	R05B16	LB SOUTH PARK IV LLC	9,500,000	16	1,500,000	Equity	Land - Residential	20%	-	(1,500,000)		(1,500,000)	Irvine
WH8855	R08A03	FOUR SEASONS BERMUDA SR	41,260,000	99	40,847,400	1st Lien	Lodging	15%	39,784,250	(1,063,150)		(1,063,150)	Change
WH5141	R05B12	RITZ CARLTON PHILLY B NOTE	39,129,752	100	39,037,552	2nd Lien	Land - Residential	10%	38,061,247	(976,305)		(976,305)	
WH6455	R06B04	SEVENTH AVE JR MEZZ	7,200,000	100	7,200,000	Mezzanine	Land - Residential	19%	6,360,941	(839,059)		(839,059)	
WH6400	R07B10	610 LEXINGTON BNOTE BLDG	1,526,484	100	1,526,484	2nd Lien	Land - Non Residential	15%	751,814	(774,670)		(774,670)	
WH8580	R07D00	LB LAKESIDE FOUR LLC	6,581,250	100	6,581,250	Equity	Land - Non Residential	20%	5,949,052	(632,198)		(632,198)	Irvine
WH5713	R07B15	LB VISTA LLC	4,653,028	76	3,553,028	Equity	Multi Family	15%	2,921,146	(631,882)		(631,882)	
SZ06	R01A04	LB BLOOMFIELD LLC	589,296	100	589,296	Equity	Land - Residential	20%	-	(589,296)		(589,296)	
VG66	R04A11	H2 CREDIT PARTNERS LP	5,000,000	100	5,000,000	Equity	Other	20%	4,452,041	(547,959)		(547,959)	
WH8866	R03A02	LB CLINTON 260 LAKE STREET LLC	1,191,799	94	1,115,007	REO	Healthcare	20%	575,000	(540,007)		(540,007)	
WE85	R06A54	LB HARBOUR PHASE III LLC	493,047	100	493,047	Equity	Land - Non Residential	20%	-	(493,047)		(493,047)	
SM89	R00A05	KOJAIAN NEW VAN BURAN INDUST	1,000,000	100	1,000,000	1st Lien	Land - Non Residential	10%	512,223	(487,777)		(487,777)	
WE351	R06A02	1133 WESTCHESTER MEZZ	15,118,778	101	15,311,323	Mezzanine	Office	7%	14,850,522	(460,801)		(460,801)	
TO69	RP7A14	LB BUSINESS PARK LLC	730,511	100	730,511	Equity	Industrial	15%	274,144	(456,367)		(456,367)	
WH6139	R07B98	BOOT RANCH SENIOR	53,207,916	99	52,538,399	1st Lien	Land - Residential	15%	52,123,811	(414,588)		(414,588)	Change
VW51	R05A16	ELK GROVE VW51	2,663,915	95	2,522,691	1st Lien	Land - Non Residential	8%	2,132,023	(390,668)		(390,668)	Irvine
WA73	R05A03	LB 3033 WILSHIRE LLC	8,634,900	36	3,134,929	Equity	Land - Residential	20%	2,763,256	(371,673)		(371,673)	Irvine
TI71	RP7A46	MEMPHIS MALL HOLDINGS LLC	32,526,339	23	7,403,958	REO	Land - Non Residential	15%	7,050,315	(353,643)		(353,643)	
VA80	R04A58	LB TROXLER RESIDENTIAL VEN 22	6,586,311	5	343,136	Equity	Land - Residential	20%	-	(343,136)		(343,136)	Irvine
WH5804	R07B49	LB HILLCREST LLC	4,374,914	77	3,374,914	Equity	Land - Non Residential	20%	3,082,645	(292,269)		(292,269)	Irvine
WH6540	R07B90	317 EAST 46TH STREET PROJECT	4,455,049	100	4,455,049	1st Lien	Condo	8%	4,163,119	(291,930)		(291,930)	
SX64	R00A03	LB FARMINGTON HILLS LLC	267,137	100	267,137	Equity	Land - Non Residential	20%	2,040	(265,098)		(265,098)	
SN75	R00A04	KOJAIAN MOWG	5,948,048	81	4,841,137	1st Lien	Industrial	9%	4,629,738	(211,400)		(211,400)	
SR43	RP7A25	LB ROSE RANCH LLC	42,769,892	44	18,828,128	REO	Land - Residential	8%	18,639,523	(188,606)		(188,606)	
TC06	R01A07	LB MILFORD WEST LLC	174,531	100	174,531	Equity	Land - Non Residential	20%	-	(174,531)		(174,531)	
WD41	R06A46	LB CHASE LLC	24,047,832	2	430,533	Equity	Condo Conversion	20%	265,661	(164,872)		(164,872)	
SX63	R00A36	LB VENOY WICK LLC	154,726	100	154,726	Equity	Land - Non Residential	20%	-	(154,726)		(154,726)	
WE20	R06B19	PALMDALE II	6,611,490	99	6,540,098	1st Lien	Office	8%	6,399,820	(140,278)		(140,278)	Irvine
SJ07	R00A08	LB 180 BALDWIN INCORPORATED	9,980,935	55	5,448,983	Equity	Industrial	15%	5,319,906	(129,077)		(129,077)	
WH5903	R07B73	ATLAS CAPITAL INVESTORS I LLC	2,323,332	100	2,323,332	Equity	Other	20%	2,212,010	(111,322)		(111,322)	
TW19	RP7A29	LB STONERIDGE LLC	107,983	100	107,983	Equity	Office	15%	-	(107,983)		(107,983)	
SZ11	R00A02	LB ALPHA TECH NORTH LLC	90,835	100	90,835	Equity	Land - Non Residential	20%	-	(90,835)		(90,835)	
WH6021	R07B87	1440 STORY AVE PROJECT	1,423,259	100	1,423,259	1st Lien	Land - Non Residential	7%	1,342,195	(81,064)		(81,064)	
WH9030	R05A06	GLEN ROYAL PARKWAY ACQUISITION	6,166,872	100	6,166,872	REO	Condo	20%	6,101,166	(65,706)		(65,706)	
TC05	R03A07	LB SHELBY INDUSTRIAL INVESTORS	48,578	100	48,578	Equity	Industrial	15%	-	(48,578)		(48,578)	
SR40	R00A06	LB NORTHVILLE LLC	47,146	100	47,146	Equity	Land - Non Residential	20%	-	(47,146)		(47,146)	
UE76	R04A29	LB HARBOUR PHASE II LLC	1,376,983	104	1,432,025	Equity	Land - Residential	20%	1,389,926	(42,099)		(42,099)	
WE214	R06A62	LB REX LLC	335,153	100	335,153	Equity	Office	15%	297,908	(37,245)		(37,245)	
VS33	R05A64	LB TALLAHASSEE LLC	1,001,229	105	1,047,898	Equity	Office	15%	1,013,798	(34,100)		(34,100)	
WH8578	R07C99	LB PREFERRED SOMERSET LLC	8,772,286	98	8,609,208	Equity	Office	15%	8,582,748	(26,460)		(26,460)	
TZ49	R02A01	LB GREENSBORO INC MDB2	25,153	100	25,153	Equity	Office	15%	5,317	(19,836)		(19,836)	
VM53	R05A82	LONG BEACH WTC	13,584,326	48	6,510,409	Mezzanine	Land - Non Residential	23%	6,495,764	(14,645)		(14,645)	Irvine
VE90	R04A43	LB RILINGTON COACHELLA 232 LLC	3,308,860	0	9,204	Equity	Land - Residential	20%	-	(9,204)		(9,204)	Irvine
WH9024	R07A55	LB KAPALUA LLC	1,928,574	100	1,928,574	1st Lien	Lodging	7%	1,923,035	(5,539)		(5,539)	

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TZ04	R03A08	VAN BUREN PREFERRED EQUITY	3,500,000	-	-	Equity	Industrial	15%	(980)	(980)		(980)	
SZ07	RP7A15	LB FARMINGTON HILLS II LLC	490	100	490	Equity	Office	15%	-	(490)		(490)	
WH8639	R07C61	PAMI MICHIGAN MEZZ II LLC	490	100	490	Equity	Industrial	15%	-	(490)		(490)	
TH88	R02A03	LB TWELVE MILE LLC	490	100	490	Equity	Office	15%	-	(490)		(490)	
TC07	R01A06	LB MILFORD EAST LLC	490	100	490	Equity	Land - Non Residential	20%	-	(490)		(490)	
TC08	R00A05	LB NEW VAN BUREN LLC	490	100	490	Equity	Land - Non Residential	20%	-	(490)		(490)	
TF04	R04A98	VICTOR PARKWAY ASSOC.	1	100	1	Equity	Office	15%	-	(1)		(1)	
TE80	RP7A02	6700 DEVELOPMENT-STERLINGHEIGH	1	100	1	Equity	Industrial	15%	-	(1)		(1)	
TG58	RP7A10	LB 26711 INC	1	100	1	Equity	Office	15%	-	(1)		(1)	
TH03	RP7A48	ORCHARD CORPORATE CTR LLC	1	100	1	Equity	Office	15%	-	(1)		(1)	
SL94	RP7A44	LB/L SUNCAL II MASTER LLC	1	100	1	Equity	Land - Residential	20%	-	(1)		(1)	Irvine
TA86	R01A10	LB CHATEAUX ALEXANDER LCC	1	100	1	Equity	Condo Conversion	20%	-	(1)		(1)	
WH8862	R06A32	GREENWICH PLACE GL ACQUISITION	9,638,678	80	7,664,491	REO	Multi Family	0%	7,664,491	-		-	
WC18	R06B27	WINDSOR LOAN	594,975	100	594,975	Other	Other	0%	594,975	-		-	
RI01	R02A11	LB PARK AVENUE II	14,084,807	2	315,393	Equity	Condo	0%	315,393	-		-	
WH8838	R06A28	MOISES GERTNER BRIDGE LOAN	45,825	100	45,825	1st Lien	Land - Non Residential	0%	45,825	-		-	
SF93	R03A08	LB VAN BUREN INC	980	100	980	Equity	Industrial	0%	980	-		-	
RP50	R02A11	LB PARK AVENUE III	139,425	0	401	Equity	Condo	0%	401	-		-	
UD39	R04A39	LB PARK CENTRAL (ORLANDO) LLC	1	100	1	Equity	Land - Non Residential	0%	1	-		-	
SL95	R06A71	LB/L SUNCAL I MASTER LLC	1	100	1	Equity	Land - Residential	0%	1	-		-	Irvine
SQ29	R00A19	LB SOUTH KOHOLA LLC	1	100	1	Equity	Single Family	0%	1	-		-	Irvine
QZ01	R04A18	JFK INTERNATIONAL TERMINALUNRA	1	100	1	Equity	Other	0%	1	-		-	
TC90	R02A16	LB POTOMAC PLACE LLC	1	100	1	Equity	Condo Conversion	0%	1	-		-	
SL99	R04A66	LB/L RBF MASTER LLC	1	100	1	Equity	Land - Non Residential	20%	1	-		-	Irvine
TH31	R02A04	LB CHATEAU SUMMERLIN LLC	1	100	1	Equity	Condo Conversion	20%	1	-		-	
UZ64	R04B03	WESTMOOR CLUB	1	100	1	1st Lien	Other	0%	1	-		-	
VB42	R04A08	BOULDER SPRINGS MEZZANINE	31,649,201	-	-	Mezzanine	Land - Residential	0%	-	-		-	Irvine
WB04	R06B24	VILLAGE OAKS JR. MEZZ	8,602,535	-	-	Mezzanine	Condo Conversion	0%	-	-		-	
VR63	R05A13	CORAL REEF II	10,300,000	-	-	Mezzanine	Land - Non Residential	8%	-	-		-	
VY03	R06A23	CROSSINGS AT OTAY RANCH MEZZ	11,495,729	-	-	Mezzanine	Condo Conversion	12%	-	-		-	Irvine
SN71B	R00A35	SETAI-SOUTHBEACH CASHCOLLATERA	20,000,000	-	-	Line of Credit	Lodging	0%	-	-		-	
SL94Z	RP7A44	LB-L SUNCAL II MASTER LLC	2,000,000	-	-	Equity	Land - Residential	0%	-	-		-	Irvine
TC31Z	R03A14	LB INDIO LAND LLC ZERO BASE	7,500,000	-	-	Equity	Land - Residential	0%	-	-		-	Irvine
SG71	R99A01	LB TTERTT INC	37,050,020	-	-	Equity	Office	0%	-	-		-	
RP49	R02A11	LB PARK AVENUE I INC	2,845	-	-	Equity	Condo	0%	-	-		-	
WE249	R06A38	LB TTERTT INC	1,000,000	-	-	Equity	Office	15%	-	-		-	
SZ05	RP7A21	LB MAPLE STEPHENSON LLC	4,324,713	-	-	Equity	Office	15%	-	-		-	
VG57	R04A22	MARKET AND 13TH	2,715,522	-	-	Equity	Land - Residential	20%	-	-		-	
SZ10	R01A05	LB EARHART LLC	2,476,795	-	-	Equity	Office	20%	-	-		-	
WH5988	R07B81	LB DELTA_MASTER IV_MEMBER LLC	42,229,639	-	-	Equity	Land - Non Residential	20%	-	-		-	Irvine
WB97	R06A76	LB TROXLER RES VENT 39 LL CLB T	14,599,048	-	-	Equity	Land - Residential	20%	-	-		-	Irvine
VJ47	R05A77	LB VISTA DEL MONTE CRV XXXVI	3,263,207	-	-	Equity	Land - Residential	20%	-	-		-	Irvine
VZ93	R05A74	LB TROXLER RES VENT 36 LLC	9,567,450	-	-	Equity	Land - Non Residential	20%	-	-		-	Irvine
VR19	R05A36	LB BLOCK 34 LLC	8,000,000	-	-	Equity	Condo	20%	-	-		-	Irvine
VF50	R04A70	LB MARKET LLC	3,127,569	-	-	Equity	Land - Residential	20%	-	-		-	Irvine
VK94	R99A01	TEACHERS JUNIOR LOAN	18,131,035	-	-	2nd Lien	Office	0%	-	-		-	
QZ23B	R04A20	ONE WOODWARD AVENUE 2ND	9,737,948	-	-	2nd Lien	Office	0%	-	-		-	
UB04	R04A92	SETAI CLUB LOAN	4,132,970	-	-	1st Lien	Other	10%	-	-		-	
WB96	R06A76	MAMMOTH CROSSINGS SACRAMENTO CA	16,745,417	-	-	Mezzanine	Land - Residential	20%	-	-		-	Irvine
VK46	R05B23	LB ROCKLIN LLC	3,866,114	-	-	Equity	Office	20%	-	-		-	Irvine
VO95	R05B21	LB OCEAN RANCH LLC	3,051,658	-	-	Equity	Office	20%	-	-		-	Irvine
WD56	R06A86	LB PALMDALE AVENUE LLC	1,784,529	-	-	Equity	Office	20%	-	-		-	Irvine
WE263	R06B17	LB EAGLE RANCH LLC	1,911,111	-	-	Equity	Office	20%	-	-		-	Irvine
WE19	R06B19	LB PALMDALE II LLC	1,132,515	-	-	Equity	Office	20%	-	-		-	Irvine
VQ07	R05B20	LB MILPITAS LLC	4,671,547	-	-	Equity	Office	20%	-	-		-	Irvine
WD21	R06A84	LB OTAY MESA LLC	3,503,907	-	-	Equity	Land - Non Residential	20%	-	-		-	Irvine
VB92	R04A24	LB HAMMER LAUREL BAY LLC	16,401,678	-	-	Equity	Condo Conversion	20%	-	-		-	Irvine
VZ36	R05A86	LB TROXLER RES VENT 37 LLC	4,611,250	-	-	Equity	Land - Residential	20%	-	-		-	Irvine
WE190	R06A03	240 PARK AVENUE JR MEZZ	2,651,972	-	-	Mezzanine	Condo	0%	-	-		-	
WE45	R06A43	LB BLOCK 38 LLC	9,000,000	-	-	Equity	Land - Residential	20%	-	-		-	Irvine
WH9051	R05B12	RITZ PHILLY HOTEL MEZZ	19,300,000	80	15,370,026	1st Lien	Land - Residential	0%	15,370,026	-		-	
UD45	R99A01	TTERTT PREFERRED EQUITYG	11,500,000	-	-	Equity	Office	15%	-	-		-	
UB48	RP7A06	3044003 NOVA SCOTIA COMPANY	8,282,781	-	-	Equity	Land - Residential	0%	-	-		-	
WE405	R06A97	LB PLAYA PELICANO LLC	9,900,000	100	9,900,000	Equity	Land - Residential	0%	9,900,000	-		-	
WE161	R06A85	LB/L PACER III COLLEGE PARK PA	200,269	-	-	Equity	Single Family	20%	0	0		0	Irvine
UC34	R04A93	SPRING MOUNTAIN RANCH MEZZANIN	57,215,095	-	-	Mezzanine	Land - Residential	15%	0	0		0	Irvine
VK59	R05A76	LB VALLE DI ORO (CRV XXXIV)	2,729,447	-	-	Equity	Land - Residential	20%	0	0		0	Irvine
TH11	R07C29	LB/L DUC III MASTER LLC	17,155,770	-	-	Equity	Single Family	20%	372	372		372	Irvine
WH6020	R07B87	1440 STORY AVE BUILDING	607,517	100	607,517	1st Lien	Land - Non Residential	7%	627,239	19,722		19,722	

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WA71	R05B17	LB SWEETWATER LLC	3,000,000	100	3,000,000	Equity	Land - Non Residential	20%	3,020,075	20,075		20,075	
WH5837	R07B58	LB BUSCHWOOD LLC	3,475,192	100	3,475,192	Equity	Office	15%	3,496,532	21,340		21,340	
SJ77	R03A08	KOJAIAN VAN BUREN INDUSTRIAL	1,283,000	-	-	Mezzanine	Industrial	10%	22,544	22,544		22,544	
WE173	R06A29	WHLLN FIFTH STREET TOWER SENIO	2,674,530	100	2,674,530	1st Lien	Condo	9%	2,702,101	27,571		27,571	
WH5735	R07B25	LB NV 740 PILOT LLC	2,598,000	100	2,598,000	Equity	Land - Non Residential	20%	2,627,196	29,196		29,196	Irvine
WE314	R06A15	ATLAS LINE OF CREDIT	2,750,000	100	2,750,000	Line of Credit	Other	8%	2,787,758	37,758		37,758	
TK39	R02A07	LB ESCONDIDO LLC-CRV IV		1	1	Equity	Land - Residential	20%	42,228	42,227		42,227	Irvine
WA72	R05A62	LB SOUTHEAST PORTFOLIO LLC	171,909	-	-	Equity	Office	15%	46,767	46,767		46,767	
WH4595	R07A69	LB OR HILLSBORO LLC	2,345,883	-	-	Equity	Office	20%	47,713	47,713		47,713	Irvine
SM00	RP7A41	LB/L EPAC MASTER LLC	30,910,299	2	600,952	Equity	Single Family	20%	651,268	50,316		50,316	Irvine
WH6071	R07B92	SAMMY ISAMU SUZUKI PERSONAL LO	437,473	100	437,473	Personal Loan	Other	15%	489,761	52,288		52,288	
VY49	R05A84	MUNIR WALJI LINE OF CREDIT	3,493,680	100	3,493,680	Line of Credit	Other	13%	3,553,188	59,508		59,508	
RS69	R98A04	LB HAYWARD II INC		1	1	Equity	Land - Residential	20%	61,402	61,401		61,401	Irvine
WA81	R05A49	LB LANCASTER LLC	891,971	100	891,971	Equity	Office	20%	961,367	69,396		69,396	Irvine
WH8014	R01A03	KARIM ALIBHAI LLC	5,976,822	99	5,940,264	Line of Credit	Unknown	5%	6,014,337	74,073		74,073	
WH6408	R07C59	2300 CROPSEY AVE PROJECT	2,387,111	100	2,387,111	1st Lien	Healthcare	8%	2,461,375	74,264		74,264	
WH8900	R07C98	PAMI GRAND OAKS LLC	9,744,516	69	6,766,710	REO	Multi Family	20%	6,852,915	86,205		86,205	
WH8696	R07A41	VCC VACAVILLE SENIOR	1,068,603	100	1,068,603	1st Lien	Land - Non Residential	7%	1,172,201	103,598		103,598	Irvine
WH8641	R07D11	BRISTOL BAY SENIOR	5,200,000	99	5,122,000	1st Lien	Lodging	6%	5,231,702	109,702		109,702	
WH6581	R07C74	BLUEBERRY HILL SENIOR	5,800,000	99	5,713,000	1st Lien	Lodging	6%	5,835,360	122,360		122,360	
WE343	R06B21	VCC SPANISH SPRINGS	585,770	100	585,770	1st Lien	Land - Non Residential	8%	717,360	131,590		131,590	Irvine
WH5740	R07C47	BALLPARK HOTEL	5,100,000	100	5,087,366	1st Lien	Land - Non Residential	8%	5,227,969	140,603		140,603	
WE176	R07C52	6650 LEXINGTON	6,761,174	100	6,761,174	Mezzanine	Land - Non Residential	0%	6,905,814	144,640		144,640	Irvine
WH4573	R05A03	3033 WILSHIRE BLVD CIRCA SR	7,500,000	99	7,425,000	1st Lien	Land - Residential	10%	7,571,159	146,159		146,159	Irvine
WH6230	R07C62	The Point Senior	12,500,000	100	12,455,100	1st Lien	Lodging	6%	12,602,759	147,659		147,659	
WH6190	R07C10	LB WINDSOR BOULEVARD LLC.	1,487,020	100	1,487,020	Equity	Industrial	15%	1,635,761	148,741		148,741	
VW28	R05A15	EL DORADO	1,332,114	90	1,192,392	1st Lien	Land - Non Residential	8%	1,343,357	150,965		150,965	Irvine
WH8699	R03A13	HG NEWARK LOAN	2,064,630	99	2,044,630	1st Lien	Office	10%	2,197,191	152,561		152,561	
TU05	R03A07	SHELBY II DEBT	5,910,000	98	5,814,962	1st Lien	Industrial	5%	5,972,100	157,138		157,138	
WE152	R04A06	AZURE OF LIDO KEY	5,100,000	100	5,074,500	Mezzanine	Land - Residential	12%	5,260,407	185,907		185,907	
WH4235	R07A36	LB KELLEY HOUSE LLC	8,610,242	98	8,425,968	Equity	Lodging	15%	8,619,434	193,466		193,466	
WH8602	R07D02	CONTINENTAL BAYSIDE SR BRIDGE	20,575,028	99	20,470,256	1st Lien	Lodging	8%	20,675,278	205,022		205,022	
WE261	R06A79	WA MILL CREEK	1,075,690	90	971,011	1st Lien	Land - Non Residential	7%	1,184,255	213,243		213,243	Irvine
WE168	R06A98	RANCHO COVE	8,400,000	99	8,316,000	1st Lien	Land - Non Residential	7%	8,539,824	223,824		223,824	
VL36	R05A47	LB FAIRFIELD LLC		1	1	Equity	Office	20%	225,292	225,291		225,291	Irvine
WE289	R06B02	LB ROSE ISLAND LLC	16,250,000	89	14,534,346	Equity	Land - Non Residential	20%	14,768,060	233,714		233,714	
WE35	R06A12	AMLI N DALLAS	5,362,000	99	5,308,380	Mezzanine	Multi Family	13%	5,546,456	238,076		238,076	
WH5743	R07C51	BALLPARK 4	3,593,487	98	3,538,626	1st Lien	Land - Non Residential	7%	3,777,467	238,841		238,841	
WH6184	R07C04	SPRINGFIELD ASSEMBLAGE SENIOR	6,590,539	99	6,519,491	1st Lien	Land - Non Residential	9%	6,760,310	240,820		240,820	
WH8640	R07D10	LAKE ROTOROA SENIOR	2,695,000	99	2,654,575	1st Lien	Lodging	6%	2,902,748	248,173		248,173	
VH3107	R06A27	Emerald Dunes Golf Club	12,907,241	98	12,667,937	1st Lien	Other	12%	12,923,187	255,250		255,250	
VU34	R05B23	ROCKLIN	5,785,860	92	5,338,860	1st Lien	Office	7%	5,604,954	266,094		266,094	Irvine
WH6598	R07C76	CASTLE HOT SPRINGS SENIOR	11,000,000	99	10,835,000	1st Lien	Lodging	6%	11,102,175	267,175		267,175	
WD55	R06A86	PALMDALE	6,598,981	98	6,459,637	1st Lien	Office	8%	6,731,519	271,882		271,882	Irvine
WD47	R06A55	LB KEY MARCO LLC	1,465,737	12	179,406	Equity	Land - Residential	20%	457,477	278,071		278,071	
VV44	R05B19	VCC LAS VEGAS	1,285,102	79	1,011,105	1st Lien	Office	7%	1,293,188	282,083		282,083	Irvine
WE09	R06B20	SNOQUALMIE	4,565,457	97	4,437,619	1st Lien	Office	8%	4,720,575	282,956		282,956	Irvine
WH6537	R07C65	MOONLIGHT BASIN MEZZ	70,000,000	100	70,000,000	Mezzanine	Land - Non Residential	15%	70,284,696	284,696		284,696	
WH5803	R07B49	VCC HILLCREST SENIOR	2,133,887	87	1,858,345	1st Lien	Land - Non Residential	7%	2,151,491	293,145		293,145	Irvine
WE297	R06A81	NORTHGATE I	5,391,705	98	5,272,949	1st Lien	Land - Residential	11%	5,582,029	309,079		309,079	
WH9021	R07C44	BALLPARK MEZZANINE	9,350,000	100	9,350,000	Mezzanine	Land - Non Residential	11%	9,662,374	312,374		312,374	
WE401	R06A25	EAGLE CANYON	9,241,655	99	9,131,738	1st Lien	Land - Residential	10%	9,446,737	314,999		314,999	Irvine
TR26	R03A10	LB BASCOM CENTRAL VALLEY LLC	2,251,883	54	1,207,235	Equity	Multi Family	15%	1,549,879	342,644		342,644	Irvine
WH5742	R07C50	BALLPARK 3	7,616,097	99	7,510,481	1st Lien	Land - Non Residential	7%	7,860,485	350,004		350,004	
WH5858	R07B64	BALLPARK 6	9,913,007	99	9,766,464	1st Lien	Land - Non Residential	7%	10,121,598	355,134		355,134	
UA69	RP7A35	LB TROXLER RESIDENTIAL VENTURES7	360,533	100	360,533	Equity	Land - Residential	20%	716,629	356,096		356,096	Irvine
WE162	R06A72	LB/L III BARRINGTON LLC	8,583,300	19	1,593,056	Equity	Land - Residential	20%	1,949,576	356,521		356,521	Irvine
WE12	R06A17	AZ LAND 72	15,226,991	99	15,046,929	1st Lien	Land - Non Residential	9%	15,411,671	364,743		364,743	
WE78	R04A07	BELMONT JUNIOR 2 MEZZ	834,000	99	825,660	Mezzanine	Multi Family	16%	1,196,519	370,859		370,859	
VC13	R04A36	LB PALM SPRINGS LP CRV	2,948,721	-	-	Equity	Single Family	20%	379,291	379,291		379,291	Irvine
WH6191	R07C10	WINDSOR BLVD SENIOR	11,623,502	98	11,415,802	1st Lien	Industrial	7%	11,797,704	381,901		381,901	
SL72	RP7A50	PAMI FL7 INC	1,018,765	27	273,751	REO	Other	0%	655,950	382,199		382,199	
WE261	R06A45	LB CAPSTONE RESIDENTIAL VENTUR	2,806,995	64	1,807,289	Equity	Land - Residential	20%	2,190,693	383,404		383,404	Irvine
WE06	R06A50	LB DIAMOND VALLEY LLC - CRV XL	2,719,632	100	2,719,632	Equity	Land - Non Residential	20%	3,105,685	386,053		386,053	Irvine
WH5736	R07B25	PILOT 740 SENIOR	5,703,942	97	5,547,034	1st Lien	Land - Non Residential	7%	5,943,778	396,744		396,744	Irvine
WH4597	R07A69	VCC HILLSBORO	13,121,230	99	12,973,578	1st Lien	Office	8%	13,381,045	407,468		407,468	Irvine
WE31	R06A60	LB POINTE LLC	1,771,402	100	1,771,402	Equity	Multi Family	15%	2,199,251	427,849		427,849	
TB68	R01A09	LB CARLYLE LLC	1,605,240	78	1,247,643	Equity	Multi Family	15%	1,699,528	451,885		451,885	
VV29	R05A81	LODGE AT RANCHO MIRAGE	173,210,170	98	170,570,982	1st Lien	Lodging	9%	171,033,425	462,442		462,442	Change

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Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2u08 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
WH6409	R07C59	2300 CROPSEY AVE ACQUISITION	13,939,532	99	13,774,654	1st Lien	Healthcare	8%	14,242,997	468,343		468,343	
WH5359	R07A59	SENECA SENIOR	13,205,944	98	12,921,826	1st Lien	Land - Non Residential	7%	13,392,746	470,919		470,919	OK Irvine
VS35	R05A58	LB REGENCY PARK LLC	976,309	100	976,309	Equity	Multi Family	15%	1,512,382	536,073		536,073	
WE82	R04A07	BELMONT JUNIOR 1 MEZZ	1,467,400	99	1,452,726	Mezzanine	Multi Family	14%	2,009,367	556,641		556,641	
WH4519	R07A38	LB RHW LLC	3,322,115	100	3,322,058	Equity	Multi Family	15%	3,880,901	558,844		558,844	
WH5899	R07B70	HARD ROCK MEZZ BRIDGE	3,666,373	98	3,604,579	Mezzanine	Land - Residential	17%	4,165,165	560,586		560,586	Irvine
WH6539	R07B90	317 EAST 46TH STREET BUILDING	744,810	100	744,810	1st Lien	Condo	8%	1,305,961	561,151		561,151	
VS43	R05A54	NC PORTFOLIO HOLDING LLC	1,857,228	70	1,300,132	Equity	Multi Family	15%	1,861,488	561,356		561,356	
WH4771	R07A62	Strathallan Hotel	14,600,000	97	14,230,408	1st Lien	Lodging	8%	14,805,798	575,390		575,390	
WH6019	R07B87	1440 STORY AVE ACQUISITION	15,649,568	97	15,247,955	1st Lien	Land - Non Residential	7%	15,827,995	580,040		580,040	
VN83	R05A65	LB THOMPSON STREET LLC	2,410,451	88	2,110,442	Equity	Condo Conversion	20%	2,727,881	617,438		617,438	
SL95Z	R06A71	LBL SUNCAL I MASTER LLC	3,500,000	83	2,920,850	Equity	Land - Residential	20%	3,544,349	623,499		623,499	Irvine
VN89	R05B22	PALM DESERT	1,901,493	80	1,524,693	1st Lien	Office	7%	2,151,976	627,283		627,283	Irvine
WH4571	R07A61	SOMERHILL FARM SENIOR	20,931,450	99	20,696,741	1st Lien	Condo Conversion	7%	21,335,865	639,124		639,124	
VF49	R04A70	MARKET AND 13TH	24,101,135	26	6,355,299	Mezzanine	Land - Residential	0%	7,000,000	644,701		644,701	Irvine
WH8882	R07C79	PAMI VINEYARD APARTMENTS LLC	5,526,614	56	3,079,376	REO	Multi Family	20%	3,726,395	647,020		647,020	
WH1729	R06A77	MANDALAY MEZZ	17,859,289	98	17,497,248	Mezzanine	Condo Conversion	13%	18,151,201	653,953		653,953	
WE299	R06A14	ARUNDEL MILLS	20,400,838	88	17,949,921	1st Lien	Land - Non Residential	20%	18,609,947	660,027		660,027	Change
TD22	R02A02	LB/L-ASW HILLCREST LLC	2,900,561	-	-	-	Single Family	20%	670,000	670,000		670,000	Irvine
WH6402	R07B10	610 LEXINGTON B NOTE PROJECT	1,962,071	100	1,962,071	2nd Lien	Land - Non Residential	15%	2,664,227	702,156		702,156	
WH6393	R07C18	LA POSADA SENIOR	40,000,000	99	39,700,000	1st Lien	Lodging	7%	40,403,415	703,415		703,415	
UZ99	R04A64	LB WHISPERING OAKS GP LLC	2,679,047	100	2,670,613	Equity	Multi Family	15%	3,394,357	723,744		723,744	OK
WE174	R05A21	HAVERHILL JUNIOR 1 MEZZ	2,129,169	99	2,107,877	Mezzanine	Multi Family	14%	2,848,200	740,323		740,323	
WE185	R06B12	TESORO RESORTS	28,499,999	99	28,137,282	1st Lien	Lodging	8%	28,879,301	742,018		742,018	Irvine
WH6456	R06B04	SEVENTH AVE SR MEZZ	6,673,165	86	5,725,819	Mezzanine	Land - Residential	17%	6,469,419	743,600		743,600	
VO94	R05B21	OCEAN RANCH (DEBT POSITION)	10,510,895	97	10,203,012	1st Lien	Office	7%	10,954,789	751,777		751,777	Irvine
WH6538	R07B90	317 EAST 46TH STREET ACQUISITI	24,535,881	98	24,157,700	1st Lien	Condo	8%	24,915,432	757,732		757,732	
UZ05	R04A57	LB TROXLER RESIDENTIAL VEN 21L	1	100	1	Equity	Condo Conversion	20%	759,150	759,149		759,149	Irvine
WE88	R06A75	LOFT 44 MEZZ	3,037,455	75	2,271,141	Mezzanine	Land - Residential	18%	3,034,785	763,644		763,644	
WH5902	R07B69	LB XANADU LLC	24,518,830	98	24,120,052	1st Lien	Unknown	6%	24,884,049	763,997		763,997	
WA82	R05B25	WAIKOLA	16,640,000	99	16,426,974	1st Lien	Land - Residential	7%	17,196,938	769,964		769,964	Irvine
VE18	R04A07	LB BELMONT LLC	581,325	-	-	Equity	Multi Family	15%	776,901	776,901		776,901	
VJ67	R05B18	LB ANTIOCH LLC VJ67	1	100	1	Equity	Office	20%	779,518	779,518		779,518	Irvine
WH5658	R07A07	LODGE & SPA AT BRECKENRIDGE SE	11,400,000	99	11,286,000	1st Lien	Lodging	10%	12,074,785	788,785		788,785	
WH6596	R07C75	LB TRIDENT COURT LLC	3,343,300	92	3,083,300	Equity	Industrial	15%	3,882,679	799,380		799,380	
ST92	R01A05	KOJAIAN EARNHART	27,984,631	81	22,591,999	1st Lien	Office	15%	23,396,798	804,799		804,799	Change
WD18	R06A19	BRENTWOOD	2,000,000	99	1,980,000	Mezzanine	Land - Non Residential	15%	2,801,560	821,560		821,560	Irvine
VY34	R05B11	LB PORTLAND LLC	3,727,894	68	2,551,740	Equity	Condo Conversion	20%	3,378,278	826,538		826,538	Irvine
VJ49	R05A60	LB SOUTH PARK II LLC	1	100	1	Equity	Condo	20%	852,445	852,444		852,444	Irvine
TU76	R03A06	ISLAND FUND	1	100	1	Equity	Other	20%	875,470	875,469		875,469	
WH5659	R07A09	FLAMINGO LAND LLC	67,210,677	69	46,089,181	REO	Land - Non Residential	6%	46,965,485	876,304		876,304	
WB63	R06A08	681 5TH AVE JUNIOR MEZZ	12,508,990	96	12,060,600	Mezzanine	Office	15%	12,963,908	903,308		903,308	
SW80	R01A06	KOJAIAN MILFORD EAST RENTAL	1,170,714	-	-	1st Lien	Land - Residential	10%	917,776	917,776		917,776	
UC71	R04A93	LB TROXLER RESID VENTURES 12	2,800,000	-	-	Equity	Land - Residential	20%	924,085	924,085		924,085	Irvine
WH8881	R07C81	PAMI LONGLEAF APARTMENTS LLC	4,218,854	53	2,237,951	REO	Multi Family	20%	3,164,441	926,491		926,491	
WH6193	R07C04	LB KEENE MILL LLC	3,097,800	100	3,097,800	Equity	Land - Non Residential	20%	4,059,072	961,272		961,272	
TD84	R04A17	INSIGNIA OPPORTUNITY FUND	1	100	1	Equity	Other	20%	983,651	983,650		983,650	
WE44	R06A09	88 GREENWICH MEZZ 4	19,997,201	98	19,506,267	Mezzanine	Condo Conversion	15%	20,491,340	985,074		985,074	
VI55	R05A45	LB ECS LLC	6,112,809	94	5,736,249	Equity	Multi Family	15%	6,740,637	1,004,389		1,004,389	
UP64	R05A23	ISLAND GLOBAL YACHTING	8,313,974	100	8,313,974	Equity	Other	20%	9,327,806	1,013,832		1,013,832	
TO31	R03A14	LB INDIO LAND LLC	4,844,779	-	-	Equity	Land - Residential	20%	1,024,110	1,024,110		1,024,110	Irvine
RX32	R98A01	KOJAIN SHELBY	24,799,134	54	13,515,435	1st Lien	Land - Non Residential	20%	14,547,194	1,031,759		1,031,759	Change
WH8582	R07D00	PASADENA ST LUKE MEZZ	8,954,128	92	8,220,600	Mezzanine	Land - Non Residential	18%	9,273,463	1,052,864		1,052,864	Irvine
SJ80	R00A03	KOJAIAN FARMINGTON HILLS PUD	23,636,797	38	8,994,988	1st Lien	Land - Non Residential	15%	10,050,459	1,055,471		1,055,471	Change
WH8953	R07C59	2300 CROPSEY AVE MEZZ	1,896,368	100	1,896,368	Mezzanine	Healthcare	20%	2,975,904	1,079,536		1,079,536	
SN06	R04A04	ARGENT VENTURES TELECOM LINE	1,213,144	1	8,336	Line of Credit	Other	12%	1,099,323	1,090,988		1,090,988	
UC07	R04A37	LB PALMDALE LLC	200,588	100	200,588	Equity	Multi Family	20%	1,307,660	1,107,072		1,107,072	Irvine
TS20	R03A37	PROVENCE OF MARCO	1,116,694	23	261,862	Mezzanine	Condo	12%	1,379,852	1,117,989		1,117,989	
WH5669	R06B02	ROSE ISLAND SENIOR	72,864,784	99	72,283,144	1st Lien	Land - Non Residential	8%	73,407,978	1,124,834		1,124,834	
WA86	R05A27	LA VILLITA APARTMENTS	3,074,527	65	1,984,867	1st Lien	Condo Conversion	6%	3,111,430	1,126,563		1,126,563	
WE76	R06B05	SHERATON JACKSONVILLE	5,025,000	99	4,951,750	Mezzanine	Land - Non Residential	15%	6,079,383	1,127,633		1,127,633	Change
WE284	R06A11	ALLIANCE FHW SHORTFALL	1,000,000	-	-	1st Lien	Multi Family	9%	1,137,861	1,137,861		1,137,861	
UB53	R04A26	LB EAST VALENCIA LLC	2,622,385	100	2,625,792	Equity	Industrial	15%	3,769,482	1,143,690		1,143,690	Irvine
TZ73	R03A18	LB MONTEREY PARK LLC- CRV	2,437,960	59	1,437,950	Equity	Single Family	20%	2,644,629	1,206,679		1,206,679	Irvine
VQ25	R05B20	MILPITAS	7,615,825	74	5,615,868	1st Lien	Office	7%	6,823,465	1,207,597		1,207,597	Irvine
WH8601	R98A13	LB TROON LEGACY MEMBER LLC	2,205,000	-	-	Equity	Unknown	20%	1,221,724	1,221,724		1,221,724	
WE303	R06A68	LB WEST 12TH STREET LLC	5,200,000	99	5,148,000	Equity	Land - Residential	20%	6,370,876	1,222,876		1,222,876	
WH4251	R07A70	VERONA WOODS MEZZ	7,505,183	99	7,423,149	Mezzanine	Multi Family	10%	8,653,227	1,230,078		1,230,078	
VU49	R05A42	LB CRV XLII LLC	6,147,727	100	6,147,727	Equity	Single Family	20%	7,383,183	1,235,456		1,235,456	OK Irvine

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MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
WE406	R06A97	PLAYA PELICANO	16,457,048	99	16,216,206	1st Lien	Land - Residential	8%	17,498,491	1,282,285		1,282,285	
WH4233	R07A24	HARBOR VIEW	50,613,795	100	50,613,795	1st Lien	Lodging	6%	51,901,004	1,287,209		1,287,209	
SQ29Z	R00A19	LB SOUTH KOHOLA LLC ZERO BASED	2,700,000	49	1,309,570	Equity	Single Family	20%	2,627,418	1,317,668		1,317,668	Irvine
WH5907	R07B74	W. 37TH ST HUDSON YARDS MEZZ	7,685,893	99	7,609,034	Mezzanine	Land - Non Residential	10%	8,932,526	1,323,492		1,323,492	
WH9029	R05A17	LB RIVIERA PALMS ACQUISITION L	9,784,770	63	6,170,346	REO	Condo Conversion	13%	7,542,449	1,372,103		1,372,103	
WD07	R06B07	SPRING CREEK MEZZ	26,404,213	97	25,635,153	Mezzanine	Multi Family	10%	27,008,269	1,373,116		1,373,116	
VC04	R04A46	LB SHADOW VALLEY LLC	2,071,879	99	2,054,780	Equity	Multi Family	15%	3,431,103	1,376,323		1,376,323	OK
WH4375	R07A57	RODDY RANCH MEZZ	8,000,000	100	8,000,000	Mezzanine	Land - Non Residential	12%	9,395,628	1,395,628		1,395,628	
WH6614	R01A01	BACHELOR GULCH CONDOS	20,221,911	94	19,004,232	1st Lien	Condo Conversion	0%	20,402,320	1,398,088		1,398,088	
WE167	R06A51	LB EASTVALE LLC	6,300,000	100	6,300,000	Equity	Land - Non Residential	20%	7,718,379	1,418,379		1,418,379	Irvine
WE265	R06A70	LB WINDSOR KITCHENER INC (DE)	9,962,399	100	9,962,399	Equity	Land - Residential	20%	11,381,259	1,418,859		1,418,859	
WH6240	R07C69	LONE MOUNTAIN SENIOR	16,000,000	99	15,760,000	1st Lien	Lodging	6%	17,203,091	1,443,091		1,443,091	
WE155	R06A59	LB PLANO LLC	8,575,017	100	8,575,017	Equity	Land - Non Residential	20%	10,018,593	1,443,576		1,443,576	OK
WE175	R05A21	HAVERRILL JUNIOR 2 MEZZ	3,605,608	99	3,569,578	Mezzanine	Multi Family	16%	5,034,347	1,464,768		1,464,768	
WE170	R06A37	INDIAN TOWN	49,408,844	36	17,808,645	1st Lien	Land - Residential	20%	19,285,020	1,476,375		1,476,375	
WH5774	R07B32	MIDTOWN MEMPHIS ASSEMBLAGE	10,291,806	99	10,151,841	1st Lien	Land - Non Residential	10%	11,631,685	1,479,843		1,479,843	
TT90	R03A09	LB ASHLAN LLC	2,593,616	40	1,038,322	Equity	Multi Family	15%	2,528,476	1,490,154		1,490,154	OK Irvine
VD92	R04A56	LB TROXLER RESIDENTIAL VEN 20	6,985,000	23	1,600,098	Equity	Single Family	20%	3,106,536	1,506,438		1,506,438	Irvine
WA64	R05B17	SWEETWATER POINT	3,692,792	97	3,572,802	1st Lien	Land - Non Residential	13%	5,113,642	1,540,840		1,540,840	
WE355	R07A67	TIRADOR	15,698,823	96	15,100,795	1st Lien	Land - Non Residential	8%	16,644,017	1,543,222		1,543,222	Irvine
UZ63	R04A62	LB VILLA VENETIA LLC	5,000,000	59	2,950,000	Equity	Multi Family	15%	4,501,995	1,551,995		1,551,995	OK Irvine
WH8581	R07D00	PASADENA ST LUKE SENIOR	45,219,440	99	44,767,257	1st Lien	Land - Non Residential	12%	46,329,083	1,561,826		1,561,826	Irvine
WE72	R06A22	CHERRY LAWN MEZZ	8,179,136	81	6,637,550	Mezzanine	Single Family	17%	8,209,577	1,572,027		1,572,027	
WD65	R06A64	LB SOUTHWEST RANCHES LLC	2,174,265	-	-	Equity	Land - Residential	20%	1,588,147	1,588,147		1,588,147	
VG42	R04A13	HILTON PORTFOLIO	4,125,000	120	4,961,538	1st Lien	Lodging	11%	6,572,453	1,610,916		1,610,916	OK
WD44	R06A24	LB DUBLIN LLC	4,486,564	95	4,255,071	Equity	Land - Non Residential	20%	5,889,492	1,634,422		1,634,422	Irvine
VL95	R05A38	LB COCONUT BEACH LLC	6,111,027	100	6,111,027	Equity	Land - Residential	20%	7,791,029	1,680,002		1,680,002	Irvine
WH8883	R07C80	PAMI SOUTHLAKE COVE APARTMENTS	16,618,819	58	9,613,386	REO	Multi Family	20%	11,298,323	1,684,937		1,684,937	
WH8656	R07D36	LEGENDS SENIOR	42,688,421	99	42,208,050	1st Lien	Land - Residential	12%	43,925,881	1,717,832		1,717,832	Irvine
WD89	R06A52	LB FREMONT LLC	3,120,000	106	3,312,280	Equity	Land - Residential	20%	5,039,314	1,728,034		1,728,034	
TK78	R02A01	3801 BOREN DRIVE GREENSBORO	3,834,253	62	2,372,252	1st Lien	Office	7%	4,135,547	1,763,295		1,763,295	
UG05	R04A31	LB IMPERIAL WORTHINGTON - CRVU	3,242,047	-	-	Equity	Land - Residential	20%	1,841,140	1,841,140		1,841,140	Irvine
WH6535	R07B90	317 EAST 46TH STREET MEZZ	10,111,403	100	10,111,403	Mezzanine	Condo	18%	11,976,066	1,864,663		1,864,663	
WH6392	R07C18	LB LA POSADA LLC	3,800,000	100	3,800,000	Equity	Lodging	15%	5,718,760	1,918,760		1,918,760	
UA73	RP7A33	LB TROXLER RESIDENTIAL VENTURES 13	-	100	1	Equity	Single Family	20%	2,002,138	2,002,137		2,002,137	Irvine
SQ09	R01A01	LB BACHELOR GULCH LLC	2,044,644	49	999,826	Equity	Condo Conversion	20%	3,058,004	2,058,178		2,058,178	
WB99	R06A05	325-329 WEST BROADWAY MEZZ	7,898,266	99	7,819,283	Mezzanine	Land - Residential	14%	9,879,371	2,060,087		2,060,087	
WH4689	R07A72	WHITWORTH ESTATES SENIOR	42,790,723	49	20,907,611	1st Lien	Land - Residential	0%	22,986,242	2,078,631		2,078,631	OK
SX30	R01A12	LB INDIAN RIDGE ESTATES	2,596,200	-	-	Equity	Land - Residential	20%	2,094,191	2,094,191		2,094,191	Irvine
SM01	RP7A40	LB/L DUC II MASTER LLC	1,953,372	57	1,113,679	Equity	Single Family	20%	3,213,287	2,099,608		2,099,608	Irvine
WB26	R06B22	VEGAS LAND MOTEL	18,500,000	91	16,917,215	1st Lien	Lodging	10%	19,025,765	2,108,550		2,108,550	
TZ72	R03A19	LB REDLANDS 102 LLC - CRV XVI	-	100	1	Equity	Single Family	20%	2,127,208	2,127,207		2,127,207	Irvine
WE34	R06A06	350 WEST BROADWAY MEZZ	5,954,632	99	5,903,841	Mezzanine	Land - Residential	16%	8,038,368	2,134,528		2,134,528	
WH8824	R07E08	HOTEL JEROME	37,098,906	92	34,146,228	1st Lien	Lodging	10%	36,334,613	2,188,386		2,188,386	Change
VJ03	R05A53	LB MONTECITO LLC (CRV XXXV)	5,401,806	-	-	Equity	Land - Residential	20%	2,191,778	2,191,778		2,191,778	Irvine
WH9045	RP7A21	MAPLE STEPHENSON	38,268,577	61	23,268,743	1st Lien	Office	7%	25,485,099	2,216,356		2,216,356	
WD19	R06A57	LB MISSION VALLEY LLC	9,700,000	69	6,699,949	Equity	Lodging	15%	9,036,671	2,336,722		2,336,722	Irvine
WH8576	R07C98	COLUMN ALLIANCE	18,755,484	69	13,024,034	1st Lien	Multi Family	5%	15,361,150	2,337,116		2,337,116	
WE87	R06A99	RIVERWALK II MEZZ	6,469,899	99	6,404,717	Mezzanine	Land - Residential	18%	8,759,733	2,355,016		2,355,016	
1US400351	1US4003	LBS Holdings SARL (Starman)	33,825,000	379	128,312,093	Equity	Lodging	15%	130,773,529	2,461,436		2,461,436	
VE83	R04A34	LB MONTE SERENO LLC CRV XXXI	9,585,041	42	4,064,987	Equity	Single Family	20%	6,624,069	2,559,082		2,559,082	Irvine
WE346	R07A58	SCOUT RE CAPITAL LINE OF CREDI	18,549,370	100	18,549,370	Line of Credit	Other	16%	21,149,309	2,599,939		2,599,939	
UC10	R04A45	LB ROSEWOOD AT FLOWER HILL LLC	2,079,362	101	2,106,734	Equity	Condo Conversion	20%	4,744,051	2,637,317		2,637,317	OK
TC84	R02A03	CITIGROUP KOJAIAN	27,500,000	63	17,402,465	1st Lien	Office	15%	20,181,330	2,778,865		2,778,865	Change
WH9028	R07C06	LB EDEN SPRINGS ACQUISITION LL	20,812,483	99	20,550,824	REO	Land - Non Residential	11%	23,437,524	2,886,700		2,886,700	
TZ21	R03A16	LB LAURELS LLC	-	100	1	Equity	Multi Family	15%	2,892,856	2,892,855		2,892,855	
WH6542	R07C66	PARADISE HOTEL SENIOR	51,618,000	99	50,958,002	1st Lien	Lodging	11%	53,913,848	2,955,846		2,955,846	
VB90	R04A01	100 E OCEAN BLVD	10,492,582	100	10,444,727	1st Lien	Land - Residential	15%	13,436,488	2,991,761		2,991,761	Change Irvine
TR86	R03A17	LB MENIFEE TOWN CTR LLC-CRV XI	8,328,465	64	5,328,497	Equity	Land - Non Residential	20%	8,419,766	3,091,269		3,091,269	OK Irvine
VU28	R05A81	LB RANCHO MIRAGE LLC	8,003,087	71	5,666,000	Equity	Lodging	15%	8,853,280	3,187,280		3,187,280	OK
SN94	RP7A19	LB KTO LLC	20,132,730	47	9,442,501	Equity	Land - Non Residential	20%	12,671,957	3,229,456		3,229,456	Irvine
WE319	R06A31	GOLDEN SANDS	24,461,930	86	21,056,073	1st Lien	Land - Residential	25%	24,286,324	3,230,252		3,230,252	Change
WE225	R06A01	10000 SANTA MONICA	109,931,002	99	108,700,825	1st Lien	Land - Non Residential	12%	111,970,327	3,269,501		3,269,501	Irvine
VX18	R05A83	TELLURIDE VILLAGE VX18	15,788,402	99	15,644,723	1st Lien	Land - Residential	15%	19,026,149	3,381,426		3,381,426	Change
WH5509	R07A55	RITZ CARLTON KAPALUA MEZZ	38,813,330	93	36,100,060	Mezzanine	Lodging	7%	39,486,148	3,386,088		3,386,088	
WH5741	R07B63	BALLPARK 2	19,256,182	99	19,003,327	1st Lien	Land - Non Residential	7%	22,479,473	3,476,146		3,476,146	
TP53	R03A22	LB SVF LLC	6,967,895	94	6,583,127	Equity	Multi Family	15%	10,250,898	3,667,771		3,667,771	
VA92	R04A44	LB RIVERPLACE LLC	6,750,299	99	6,707,427	Equity	Condo	20%	10,551,681	3,844,254		3,844,254	Irvine
WH5904	RP7B74	WEST 37TH STREET HUDSON YARDS	35,505,183	99	35,007,257	1st Lien	Land - Non Residential	10%	38,873,706	3,866,448		3,866,448	Change

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FOIA CONFIDENTIAL TREATMENT REQUESTED  
 BY LEHMAN BROTHERS HOLDINGS INC.

Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
VI58	R05A09	CHARLESTON	14,100,000	101	14,208,612	Mezzanine	Land - Residential	20%	18,143,717	3,935,105		3,935,105	
WE283	R06A39	LB 2080 KALAKAUA LLC	48,374,775	27	13,068,059	REO	Retail	20%	17,128,001	4,059,942		4,059,942	Irvine
SH87	R00A20	LB TRIAD INCORPORATED	5,000,000	-	-	Equity	Healthcare	15%	4,100,426	4,100,426		4,100,426	
VE13	R04A99	WATERGATE HOTEL MEZZANINE	14,979,944	98	14,683,179	Mezzanine	Lodging	18%	18,879,944	4,196,766		4,196,766	
WH5865	R07B67	LAUREL COVE	71,483,777	98	70,073,987	1st Lien	Land - Residential	15%	74,273,071	4,199,084		4,199,084	Change
WH5143	R05B12	RITZ CARLTON PHILLY MEZZ	43,463,587	80	34,865,985	Mezzanine	Land - Residential	15%	39,184,023	4,318,038		4,318,038	Change
WH8733	R07D73	DOUBLETREE RIVERFRONT	9,500,000	54	5,144,000	1st Lien	Lodging	6%	9,560,908	4,416,908		4,416,908	
WE73	R06A63	LB SOLSTICE ONE CONDOS	4,937,718	100	4,937,718	Equity	Land - Residential	20%	9,441,517	4,503,798		4,503,798	
WE189	R06A07	46TH STREET MEZZ	8,656,850	69	5,970,750	Mezzanine	Industrial	21%	10,512,068	4,541,318		4,541,318	Irvine
WH8357	R07C27	LB Windsor Points Avenue Inc	9,489,459	100	9,489,459	Equity	Land - Residential	20%	14,058,138	4,568,679		4,568,679	
WH5549	R07A20	CONCORDIA SENIOR	28,363,321	93	26,489,862	1st Lien	Land - Non Residential	15%	31,251,796	4,761,934		4,761,934	Change
UG46	R04A21	LB LA PALOMA- CRV24	7,867,971	-	-	Equity	Land - Residential	20%	4,817,819	4,817,819		4,817,819	Irvine
UB12	R04A42	LB RECTOR INC		100	1	Equity	Office	15%	5,123,600	5,123,599		5,123,599	
SQ51	R00A36	ROMULUS AIRPORT LAND	9,000,000	50	4,500,000	1st Lien	Land - Non Residential	20%	9,711,283	5,211,283		5,211,283	Change
RF86	RP7A51	744 BROAD STREET	8,887,877	45	3,958,561	Equity	Office	15%	9,219,002	5,260,441		5,260,441	
VB94	R04A24	LAUREL BAY MEZZ	7,500,000	43	3,240,885	Mezzanine	Condo Conversion	18%	8,795,808	5,554,923		5,554,923	OK Irvine
WH5731	R07B22	LB LAS COLINA LLC	10,726,059	100	10,726,059	Equity	Land - Non Residential	20%	16,362,019	5,635,960		5,635,960	OK
QZ01Z	R04A18	JFK EQUITY	5,610,190	100	5,610,190	Equity	Other	20%	11,274,460	5,664,270		5,664,270	
WH5179	R07A55	Ritz Carlton Kapalua Senior	232,426,079	97	226,088,852	1st Lien	Condo	7%	231,758,526	5,669,674		5,669,674	Change
UA72	R04A51	LB TROXLER RESIDENTIAL VENTURES 11	3,866,318	-	-	Equity	Single Family	20%	5,861,859	5,861,859		5,861,859	Irvine
RG53	R98A12	SHERATON LW-LP	45,624,889	60	27,532,622	REO	Lodging	10%	33,459,425	5,926,803		5,926,803	Change
TE58	R07C52	LB/L DS VENTURES II MASTER LLC	16,405,267	85	13,919,351	Equity	Land - Non Residential	20%	19,860,942	5,941,591		5,941,591	Irvine
VU04	R05A43	LB CRV XXXIX LLC	7,657,902	22	1,657,902	Equity	Land - Residential	20%	7,624,321	5,966,419		5,966,419	Irvine
WA83	R05B25	LB WAIKOLA LLC	15,000,000	100	15,000,000	Equity	Land - Residential	20%	20,986,637	5,986,637		5,986,637	Irvine
VX49	R05A78	LB/L CAPITAL PARTNERS II LLC	7,425,724	88	6,525,469	Equity	Land - Residential	20%	12,911,718	6,386,250		6,386,250	OK Irvine
SK10	R00A16	LB KAMALANI LLC	38,475,236	10	3,871,350	Equity	Condo	20%	10,439,509	6,568,159		6,568,159	Irvine
QZ23	R04A20	KOJAIAN-ANR ONE WOODWARDUNRATE	20,985,350	51	10,612,957	1st Lien	Office	15%	17,183,711	6,570,754		6,570,754	Change
TQ78	R03A21	LB SETH LLC	7,700,718	39	2,996,494	Equity	Multi Family	15%	9,769,428	6,772,933		6,772,933	
WE325	R07A13	200 11TH AVE MEZZ	18,189,553	82	14,864,355	Mezzanine	Land - Residential	20%	21,641,772	6,777,418		6,777,418	
SH84	R03A04	LB GREENSBORO INCORPORATED		100	1	Equity	Office	15%	7,437,201	7,437,200		7,437,200	
WD86	R06A66	LB VERVE CONDOS LLC	11,111,375	100	11,111,375	Equity	Land - Residential	20%	18,826,671	7,715,296		7,715,296	
VI52	R05A01	100 YORKVILLE AVENUE	8,405,035	65	5,480,689	Mezzanine	Land - Residential	20%	13,481,726	8,001,036		8,001,036	
VE37	R04A73	MONUMENT VIEW MEZZANINE	13,198,843	99	13,132,797	Mezzanine	Land - Non Residential	18%	21,909,133	8,776,336		8,776,336	
WE323	R07A48	NORTH BEACH TOWERS JR MEZZ	14,947,468	70	10,487,027	Mezzanine	Condo	23%	19,615,091	9,128,064		9,128,064	
WE250	R06A74	Lehman 7 Portfolio	70,500,000	88	61,804,546	1st Lien	Lodging	8%	70,964,966	9,160,419		9,160,419	
VY25	R05B13	RIVERBEND/WALKER SQ MEZZ	15,419,047	68	10,559,155	Mezzanine	Condo Conversion	14%	19,749,180	9,190,026		9,190,026	
RU87	R98A05	PAMI 5-7 EAST 17TH STREET INC	2,651,681	53	1,392,462	Equity	Condo Conversion	20%	11,458,591	10,066,129		10,066,129	
WH5117	R07A29	LB 607 HUDSON STREET LLC	6,874,788	100	6,874,788	Equity	Healthcare	15%	17,103,210	10,228,422		10,228,422	
WH4829	R07A26	KNICKERBOCKER HOTEL SENIOR	280,450,879	98	275,134,877	1st Lien	Office	8%	285,711,518	10,576,640		10,576,640	
VG40	R04A23	LAS VEGAS MART	20,950,000	99	20,650,152	1st Lien	Land - Non Residential	20%	31,349,331	10,699,179		10,699,179	Change
TF94	RP7A18	LB HILLS GOLF LLC	17,632,060	32	5,714,971	REO	Other	20%	16,423,796	10,708,825		10,708,825	
WA84	R05A19	GABLES MARQUIS MEZZ	13,183,852	85	11,168,325	Mezzanine	Condo	20%	22,383,890	11,215,565		11,215,565	OK
SA54	R04A78	PAMI PUBLIC PRIVATE II	4,209,955	59	2,469,074	Equity	Office	15%	13,845,911	11,376,837		11,376,837	
TF37	R02A11	PARK AVENUE	10,834,986	22	2,333,309	Equity	Condo	20%	13,757,020	11,423,711		11,423,711	
WE270	R06A35	LB HOLLINS FERRY LLC	8,999,128	100	8,999,128	Equity	Industrial	15%	20,737,317	11,738,190		11,738,190	
VE38	R04A95	THE MARK MEZZ	23,300,000	100	23,300,000	Mezzanine	Condo	18%	35,276,809	11,976,809		11,976,809	Irvine
UD56	RP7A49	PACIFIC POINT 2004 MEZZ	40,659,670	29	11,824,051	2nd Lien	Land - Residential	12%	23,868,397	12,044,346		12,044,346	Change Irvine
ST72	RP7A07	KOJAIAN MEZZ CONSOLIDATED	13,929,023	-	-	Mezzanine	Other	25%	12,697,985	12,697,985		12,697,985	Change
WE413	R07A44	LBGC LLC	23,400,000	100	23,400,000	Equity	Other	20%	36,450,695	13,050,695		13,050,695	
WH6537A	R07C65	MOONLIGHT BASIN DEFERRED INTER	2,187,500	100	2,187,500	Mezzanine	Land - Non Residential	15%	15,460,260	13,272,760		13,272,760	Change
VG52	R04A22	LAKE MERRITT	16,492,252	62	10,284,322	Mezzanine	Land - Residential	15%	28,576,162	18,291,840		18,291,840	OK
SH27	R00A14	LB EASTVIEW INC PAMI	9,655,924	98	9,431,442	Equity	Land - Residential	20%	27,745,588	18,314,146		18,314,146	
WE354	R07C55	INFINITY TOWERS MEZZ	45,011,253	85	38,304,126	Mezzanine	Condo	15%	56,803,962	18,499,836		18,499,836	Irvine
WH4381	R07A42	LB WINDSOR CAPITAL ONE BLOOR S	21,287,292	100	21,287,292	Equity	Land - Residential	20%	39,913,379	18,626,087		18,626,087	
UB49	RP7A06	620-640 FLEET STREET SENIOR	12,664,279	69	8,766,531	1st Lien	Land - Residential	20%	32,331,159	23,564,628		23,564,628	
WH8795	R06A28	EXHIBITION CITY DEV SR MEZZ	70,362,399	88	62,267,126	Mezzanine	Land - Non Residential	13%	86,389,476	24,122,349		24,122,349	
UG80	R04A79	PAMI PUBLIC PRIVATE III	56,162,588	98	55,281,809	Equity	Land - Non Residential	20%	81,981,974	26,700,164		26,700,164	
WH8794	R06A28	EXHIBITION CITY DEV JR MEZZ	114,081,053	88	99,851,089	Mezzanine	Land - Non Residential	30%	135,042,750	35,191,661		35,191,661	
TV71	R06A21	CARILLON	81,613,641	98	80,243,551	Mezzanine	Condo	20%	137,644,034	57,400,483		57,400,483	Change
WH8772	R06A28	Exhibition City DEV Senior	179,592,772	90	162,336,272	1st Lien	Land - Non Residential	13%	220,460,166	58,123,894		58,123,894	
WD91	R06A20	CABO SAN LUCAS LAND	102,426,856	100	102,325,553	1st Lien	Land - Non Residential	15%	203,332,331	101,006,778		101,006,778	Irvine
WH9052	R08B94	IRVINE MULTIFAMILY PORTFOLIO	275,000,000	95	260,810,000	1st Lien	Multi Family	NA	NA	NA		NA	
WB28	R05A63	LB STAMFORD LLC	20,647,452	584	120,649,641	Equity	Office	NA	NA	NA		NA	
WH4343	R07A64	TELLURIDE SENIOR	70,890,122	97	68,994,806	1st Lien	Land - Residential	NA	NA	NA		NA	
WH4417	R07A49	One Kansas City Place	87,774,333	74	64,736,089	1st Lien	Office	NA	NA	NA		NA	
WH4415	R07A12	1201 WALNUT	45,000,000	95	42,883,055	1st Lien	Office	NA	NA	NA		NA	
VD97	R04A32	LB MAINGATE HOTEL LLC	46,796,759	66	30,848,887	REO	Lodging	NA	NA	NA		NA	
WE164	R06B10	SUMMER WOOD	28,797,762	101	28,947,790	1st Lien	Multi Family	NA	NA	NA		NA	
WH4247	R07A64	TELLURIDE MEZZ	35,075,000	80	28,175,000	Mezzanine	Land - Residential	NA	NA	NA		NA	

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Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
WH8561	R07C95	VCC CENTENNIAL HILLS SENIOR	28,347,953	97	27,374,468	1st Lien	Land - Non Residential	NA	NA	NA	NA	NA	
WH5993	R07B86	FONTAINEBLEAU RESORTS LLC	27,372,250	91	24,999,978	Equity	Other	NA	NA	NA	NA	NA	
UC78	R04A15	HYATT REGENCY CINCINNATI	33,754,874	69	23,332,515	1st Lien	Lodging	NA	NA	NA	NA	NA	
WH5994	R07B86	FONTAINEBLEAU EQUITY HOLDINGS	20,000,004	100	20,000,004	Equity	Other	NA	NA	NA	NA	NA	
WH6584	R07C88	JEWISH CENTER FOR THE AGED	54,614,240	35	19,089,938	1st Lien	Multi Family	NA	NA	NA	NA	NA	
WC75	R06B08	STATLER TOWERANTIOCH CA	32,590,752	51	16,590,909	REO	Multi Family	NA	NA	NA	NA	NA	
WH8796	R07D91	ST VINCENT MEZZ	16,939,943	91	15,365,981	Mezzanine	Healthcare	NA	NA	NA	NA	NA	
WH9034	R08B12	MOLASSES EQUITY LOAN	15,000,000	100	15,000,000	1st Lien	Land - Residential	NA	NA	NA	NA	NA	
WH8731	R07D71	MANGER BUILDING	15,033,620	86	12,876,025	1st Lien	Office	NA	NA	NA	NA	NA	
WH8562	R07C95	LB NEV CENTENNIAL HILLS LLC	12,420,000	100	12,420,000	Equity	Land - Non Residential	NA	NA	NA	NA	NA	
WH8732	R07D72	UNIVERSITY EDGE APTS	13,942,500	89	12,384,510	1st Lien	Multi Family	NA	NA	NA	NA	NA	
WE156	R06A33	HANOVER PLACE	17,795,318	69	12,196,782	1st Lien	Multi Family	NA	NA	NA	NA	NA	
VZ32	R05A28	LB LAKELAND LP INVESTORS LLC	11,389,218	100	11,389,218	Equity	Office	NA	NA	NA	NA	NA	
VA35	R04A16	Idlewood Apartments	11,022,503	101	11,128,081	1st Lien	Multi Family	NA	NA	NA	NA	NA	
VL10	R05A48	LB FEB 2005 NAGOG PARK DRIVE L	13,516,293	78	10,537,600	REO	Office	NA	NA	NA	NA	NA	
SH79	R03A04	Guilford Ctr- Greensboro	11,977,641	87	10,424,475	1st Lien	Office	NA	NA	NA	NA	NA	
WH6606	R07C82	HAMLINS AT CEDAR CREEK LAKE	12,955,127	79	10,223,864	1st Lien	Multi Family	NA	NA	NA	NA	NA	
WH8828	R07C83	LB CRESCENT PARK LP	19,599,324	50	9,807,280	REO	Multi Family	NA	NA	NA	NA	NA	
WH6094	R07B94	PAMI RYAN TOWN CENTERE LLC	12,286,264	76	9,364,872	REO	Office	NA	NA	NA	NA	NA	
WH5347	R07A30	LB 640 HAMBRICK ROAD LLC	11,923,270	76	9,035,552	REO	Multi Family	NA	NA	NA	NA	NA	
WH8734	R07D74	LAKE COLONY APT	8,565,000	89	7,600,550	1st Lien	Multi Family	NA	NA	NA	NA	NA	
TE78	R02A06	LB DRIFTWOOD HOSPITALITY	2,278,217	304	6,932,341	Equity	Lodging	NA	NA	NA	NA	NA	
WH8681	R07D66	PARK PLACE MEZZ TRANCHE A	7,508,119	91	6,864,917	Mezzanine	Land - Non Residential	NA	NA	NA	NA	NA	
WH8666	R07C84	LB QUAIL VALLEY LP	9,624,500	70	6,785,252	REO	Multi Family	NA	NA	NA	NA	NA	
VC77	R04A74	NORTHSIDE SHOPPING CENTER	6,768,441	100	6,768,578	1st Lien	Retail	NA	NA	NA	NA	NA	
WH8974	R07A63	LB SUMMIT RIDGE 300 SCHRAFFTS	7,427,996	90	6,721,693	REO	Multi Family	NA	NA	NA	NA	NA	
1US400401	1US4004	LB FV LLC	6,265,000	100	6,265,000	REO	Lodging	NA	NA	NA	NA	NA	
WH8737	R07D77	LB PPD LLC	6,001,904	100	6,001,904	Equity	Land - Non Residential	NA	NA	NA	NA	NA	
WH4219	R07A65	THE VILLAGE OF ST CATHERINE'S	8,412,651	70	5,898,898	1st Lien	Healthcare	NA	NA	NA	NA	NA	
WE32	R06A49	LB DEERWOOD PROPERTY LP	7,920,884	74	5,838,857	REO	Mobile Home	NA	NA	NA	NA	NA	
WH4917	R07A33	LB CRESCENT CITY LP	8,622,078	68	5,833,005	REO	Multi Family	NA	NA	NA	NA	NA	
SL63	R04A80	PAMI STUDIO CITY LLC	5,726,681	102	5,824,556	Equity	Other	NA	NA	NA	NA	NA	
WH8880	R08A16	ONYX MEZZ	6,039,000	94	5,648,494	Mezzanine	Land - Residential	NA	NA	NA	NA	NA	
WE33	R06A61	LB RAVENWOOD APARTMENTS LP	6,659,895	82	5,475,031	REO	Multi Family	NA	NA	NA	NA	NA	
VV22	R05A87	PAMI APARTMENTS LLC	5,354,971	100	5,359,930	REO	Multi Family	NA	NA	NA	NA	NA	
WH8839	R08A01	LAWRENCE MEZZ	5,032,489	100	5,032,489	Mezzanine	Land - Residential	NA	NA	NA	NA	NA	
WH6267	R07C19	WOLFF OPPORTUNITY FUND	5,000,000	100	5,000,000	Equity	Other	NA	NA	NA	NA	NA	
WH6239	R07C15	LB Lifestyle LLC	5,000,000	100	5,000,000	Equity	Lodging	NA	NA	NA	NA	NA	
WD97	R06A58	LB NYLO LLC	5,000,000	100	5,000,000	Equity	Other	NA	NA	NA	NA	NA	
WH6602	R07C78	WESTCHESTER VILLAGE	8,747,563	55	4,843,373	1st Lien	Multi Family	NA	NA	NA	NA	NA	
WE290	R06A53	LB GREENSBROOK MANOR LP	7,434,754	64	4,739,831	REO	Multi Family	NA	NA	NA	NA	NA	
WH8626	R07D06	REGENCY PARK APTS	4,920,675	95	4,667,354	1st Lien	Multi Family	NA	NA	NA	NA	NA	
VK35	R05B27	WESTVIEW AND ISLAND HOUSE	8,113,112	53	4,313,110	1st Lien	Other	NA	NA	NA	NA	NA	
SQ32	R00A15	LB INTERSTATE LLC MAN/NON-MANA	9,243,888	47	4,303,720	Equity	Other	NA	NA	NA	NA	NA	
WH8813	R07A45	LB MADISON TERRACE LLC	4,425,024	93	4,102,048	REO	Multi Family	NA	NA	NA	NA	NA	
WH8874	R07A66	THUNDER SPRINGS SENIOR	4,015,417	100	4,015,417	1st Lien	Land - Residential	NA	NA	NA	NA	NA	
WH5043	R07A34	LB IMT LLC	3,984,493	100	3,984,493	Equity	Other	NA	NA	NA	NA	NA	
VC79	R04A69	MAIN PLACE	4,380,607	88	3,834,316	1st Lien	Office	NA	NA	NA	NA	NA	
WH8856	R08A04	LB NP MASTER LLC	3,700,000	100	3,700,000	Equity	Other	NA	NA	NA	NA	NA	
WH8769	R07A25	LB HILLTOP 1708 TOPPING AVENUE	4,627,842	76	3,531,041	REO	Multi Family	NA	NA	NA	NA	NA	
SU02	R01A02	BREAKERS AT EDGEWATER	21,617,613	15	3,253,146	2nd Lien	Healthcare	NA	NA	NA	NA	NA	
WH6583	R07C87	TOWN COMMONS	4,996,816	64	3,192,386	1st Lien	Multi Family	NA	NA	NA	NA	NA	
WH8682	R07D66	PARK PLACE MEZZ TRANCHE B	3,433,238	89	3,059,818	Mezzanine	Land - Non Residential	NA	NA	NA	NA	NA	
WH4211	R07A73	WILLOWS ON CLARK ROAD	4,810,490	63	3,048,007	1st Lien	Multi Family	NA	NA	NA	NA	NA	
WH6615	R07D57	BACHELOR GULCH CONDOS MEZZ	4,328,054	69	3,000,038	Mezzanine	Condo Conversion	NA	NA	NA	NA	NA	
VN82	R05A73	LB TROXLER RES VENTURES 33	15,102,000	20	2,986,000	Equity	Land - Non Residential	NA	NA	NA	NA	NA	
WH8735	R07D75	SLEEP INN	3,164,261	92	2,899,510	1st Lien	Lodging	NA	NA	NA	NA	NA	
VT39	R05A52	MINNEAPOLIS LOFTS HLDGS LLCUF3	13,137,583	21	2,800,921	REO	Land - Residential	NA	NA	NA	NA	NA	
WH8860	R07C93	OCF WARNER CENTER MEZZ	2,920,301	93	2,702,268	Mezzanine	Office	NA	NA	NA	NA	NA	
WH8800	R07D91	ST VINCENT ACQUISITION LOAN B	2,432,208	98	2,383,564	2nd Lien	Healthcare	NA	NA	NA	NA	NA	
TN18	RP7A04	CLOCKTOWER PLACE II	5,108,260	44	2,229,875	2nd Lien	Multi Family	NA	NA	NA	NA	NA	
TI18	R02A17	T-REX LINE OF CREDIT	11,364,539	18	2,100,704	Line of Credit	Other	NA	NA	NA	NA	NA	
SF35	R99A06	PCCP-ROSEVILLE/FIDDYMENT	1,980,001	100	1,980,001	Equity	Single Family	NA	NA	NA	NA	NA	
WH8827	R03A39	LB BETHEL ROAD KALAMAZOO LLC	2,619,824	68	1,773,322	REO	Healthcare	NA	NA	NA	NA	NA	
TU27	R03A11	LB CARWOOD LLC	1,715,231	100	1,715,231	Equity	Lodging	NA	NA	NA	NA	NA	
VK44	R05A56	LB PEARSON SQUARE LLC	5,265,485	31	1,628,871	Equity	Land - Residential	NA	NA	NA	NA	NA	
UD57	R04A55	LB TROXLER RESIDENTIAL VENTURE	7,920,000	20	1,621,164	Equity	Land - Residential	NA	NA	NA	NA	NA	
WH4805	R07A21	CULVER CITY - CHO	1,600,000	100	1,600,000	Other	Land - Non Residential	NA	NA	NA	NA	NA	
WH6205	R07C00	SHILOH LOAN	4,121,064	38	1,574,224	1st Lien	Healthcare	NA	NA	NA	NA	NA	

Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
WH8954	R08A49	LB HAVILAND LLC	1,550,333	100	1,550,333	Equity	Multi Family	NA	NA	NA			
WC20	R06B23	VENTURE CORPORATION	1,363,649	100	1,363,649	Other	Other	NA	NA	NA			
WH6582	R07C86	CAMBRIDGE RETIREMENT COMMUNITY	5,550,451	22	1,219,500	1st Lien	Multi Family	NA	NA	NA			
UB52	RP7A22	LB PRAIRIE HOUSE LLC	7,279,030	15	1,109,448	REO	Condo	NA	NA	NA			
SW77	RP7A23	LB RIVER WEST LLC	5,850,176	14	840,690	REO	Condo Conversion	NA	NA	NA			
VO15	R05A18	FLORIDA REALTY INVESTMENT LOC	759,961	97	740,036	Line of Credit	Other	NA	NA	NA			
VY99	R05B29	WINLEN OAKS	1,736,285	41	712,943	1st Lien	Healthcare	NA	NA	NA			
VJ51	R05A69	LB TROXIER RESID VENT 24	10,710,000	7	710,026	Equity	Other	NA	NA	NA			
WH5945	R07B77	LB PROTERRA LLC (FUND)	694,851	100	694,851	Equity	Other	NA	NA	NA			
WH8867	R08A06	PHILIPS EDISON FUND	561,727	100	561,727	Equity	Retail	NA	NA	NA			
UE91	R04A40	LB QUINCY COURT LLC	549,902	100	549,902	Equity	Condo	NA	NA	NA			
WH8976	R08A60	DAVID SCHWARTZMAN PERSONAL LON	532,762	100	532,762	Personal Loan	Other	NA	NA	NA			
TH50	R02A08	LB FALLINGWATER LLC	8,326,712	6	500,312	Equity	Condo Conversion	NA	NA	NA			
WE245	R06B13	TESSLER PERSONAL LOAN	500,000	100	500,000	Personal Loan	Other	NA	NA	NA			
WH8802	R07D91	ST VINCENT PROJECT LOAN B NOTE	506,544	98	496,274	2nd Lien	Healthcare	NA	NA	NA			
UG16	R04B01	WDH HOWELL LLC	8,285,852	6	488,076	1st Lien	Industrial	NA	NA	NA			
WH5757	R07B31	TYSONS CORNER	419,876	100	419,876	Other	Other	NA	NA	NA			
WH4931	R07A35	LB JED PROUTY 52 MAIN ST LLC 2	1,652,603	20	334,150	REO	Healthcare	NA	NA	NA			
VZ31	R05A28	LB LAKELAND GP INVESTORS LLC	306,937	100	306,937	Equity	Office	NA	NA	NA			
WD34	R06B28	YUMA LAND- BRUNI	302,584	100	302,584	Deposit	Land - Residential	NA	NA	NA			
WH5668	R07B16	LA RESERVES VILLAS BRIDGE JR M	392,657	67	264,556	Mezzanine	Multi Family	NA	NA	NA			
TK52	R02A12	LB STEEPLES LLC	3,178,918	8	259,192	Equity	Multi Family	NA	NA	NA			
QL87	R04B02	WESTINGHOUSE EQUITY TBAUNRATED	250,000	100	250,000	Equity	Multi Family	NA	NA	NA			
WH8801	R07D91	ST VINCENT BUILDING LOAN B NOT	211,249	98	207,127	2nd Lien	Healthcare	NA	NA	NA			
RG85	R98A02	LB DESILVA	59,185,362	0	173,618	Equity	Condo	NA	NA	NA			
WH4551	R07A50	PAMI CIGAR FACTORY LLC	1,393,160	12	167,154	REO	Multi Family	NA	NA	NA			
WC01	R05A44	LB EASTVIEW CENTER LP	3,740,871	4	161,646	REO	Healthcare	NA	NA	NA			
TW65	RP7A24	LB RIVERBEND OWNERS LLC	11,054,053	1	84,000	REO	Condo	NA	NA	NA			
UA66	RP7A34	LB TROXLER RESIDENTIALVENTURES4	69,581	100	69,581	Equity	Land - Residential	NA	NA	NA			
TT56	RP7A54	TREMONT TOWER RESIDENCES LLC	159,778	26	41,385	REO	Condo	NA	NA	NA			
SK94	R00A07	LB LAI HONUA	14,036,560	0	28,999	Equity	Condo	NA	NA	NA			
VT77	R05A41	LB CRV XLI LLC	3,423,848	1	23,999	Equity	Land - Residential	NA	NA	NA			
SD48	RP7A01	415 HAMBURG	1,383,165	1	8,702	Other	Land - Residential	NA	NA	NA			
SX65	R04A19	K/LB FUNDING LLC	5,000	100	5,000	Equity	Other	NA	NA	NA			
UA71	RP7A32	LB TROXLERRESIDENTIALVENTURES10	5,949,945	0	3,401	Equity	Land - Non Residential	NA	NA	NA			
TH91	RP7A27	LB SHELBY INDUSTRIAL INV IVLLC	500	100	500	Equity	Industrial	NA	NA	NA			
WH8805	R07D98	LB ALLEGIANCE LLC	500	100	500	Equity	Office	NA	NA	NA			
TH90	RP7A26	LB SHELBY INDUSTRIAL INV IIIII	490	100	490	Equity	Industrial	NA	NA	NA			
TM42	RP7A12	LB ASTRODOMAIN LLC	1	100	1	REO	Other	NA	NA	NA			
TB92	R04A41	LB RALEIGH HOTEL LLC	1	100	1	REO	Lodging	NA	NA	NA			
SR61	R04A33	LB MEMPHIS BROWN LLC	1	100	1	REO	Lodging	NA	NA	NA			
TT50	R03A23	LB TOWN CENTER RESIDENTIAL LLC	1	100	1	REO	Multi Family	NA	NA	NA			
TU94	R03A38	THE CONCESSIONNO AUTOFEED	1	100	1	Mezzanine	Land - Residential	NA	NA	NA			
QU05	RP7A45	MANHATTAN MALL LLCUNRATED	1	100	1	Equity	Retail	NA	NA	NA			
UA85	RP7A36	LB TROXLER RESIDENTIALVENTURES	1	100	1	Equity	Land - Residential	NA	NA	NA			
UF39	RP7A28	LB SOMERS LLC	1	100	1	Equity	Office	NA	NA	NA			
WH8774	R07D88	HIGH STREET REAL ESTATE FUND I	1	100	1	Equity	Office	NA	NA	NA			
WH8738	R07D78	LB WNG SLP LLC	1	100	1	Equity	Other	NA	NA	NA			
TY18	R07C30	LB COACHELLA-INDIO LLC-CRV	1	100	1	Equity	Land - Non Residential	NA	NA	NA			
SZ91	R04A76	PAMI HARLEM	1	100	1	Equity	Office	NA	NA	NA			
UD81	R04A65	LB WINDSOR BRIDGESIDE LLC	1	100	1	Equity	Condo Conversion	NA	NA	NA			
VH58	R04A27	LB EASTLAKE LLC	1	100	1	Equity	Office	NA	NA	NA			
SU12	R01A18	PCCP LB STEVENSON POINT LLC	1	100	1	Equity	Office	NA	NA	NA			
SX89	R01A11	LB CHATEAUX FLAMINGOCOMWL	1	100	1	Equity	Condo Conversion	NA	NA	NA			
SJ12	R00A21	LB VENDOME INC	1	100	1	Equity	Condo	NA	NA	NA			
SJ47	R00A10	LB 41 WEST 72 LLC	1	100	1	Equity	Condo Conversion	NA	NA	NA			
RG11	R98A14	W/J RANCH	1	100	1	1st Lien	Land - Residential	NA	NA	NA			
RJ65	R98A11	SERRANO HEIGHTS	1	100	1	1st Lien	Land - Residential	NA	NA	NA			
WH4867	R07A23	HAL'L KAI CONSTRUCTION	1	100	1	1st Lien	Other	NA	NA	NA			
VF95	R00A07	LAI HONUA	1	100	1	1st Lien	Condo	NA	NA	NA			
WH5441	R06A13	LB ANDALUCIA HOLDINGS LLC	17,805,684	-	-	REO	Condo Conversion	NA	NA	NA			
WH4747	R07A22	BERDUGO LOAN	9,070,001	-	-	Personal Loan	Other	NA	NA	NA			
VU19	R05A05	ALLIANCE PJ SUB MEZZ 3	20,795,986	-	-	Mezzanine	Multi Family	NA	NA	NA			
TK26	RP7A55	WEST MICHIGAN INDUSTRIALINVEST	4,394,265	-	-	Equity	Industrial	NA	NA	NA			
TK24	RP7A53	SOUTHWEST MICHIGAN INDUSTRIALI	3,500,001	-	-	Equity	Industrial	NA	NA	NA			
TK25	RP7A47	NEW WEST MICHIGAN INDUSTRIALIN	5,000,001	-	-	Equity	Industrial	NA	NA	NA			
SM04	RP7A42	LB/ LAKESIDE CAPITAL PARTNERS	720,619	-	-	Equity	Other	NA	NA	NA			
SL93	RP7A09	LB/L LOS SANTEROS MASTER LLC	5,745,985	-	-	Equity	Single Family	NA	NA	NA			
WH4245	R07A64	LB TELLURIDE LLC	8,500,000	-	-	Equity	Land - Residential	NA	NA	NA			

## Deal Balance (AsOf 06-05-2008) - Total

MTS	Deal Id	Position	06-05-2008 Face	Mark	Basis	Lien Position	Property Type	Discount Rate	NPV	Implied Mark	Updated List	Difference	Comment
VR90	R05A59	LB SILVERLAND LLC	6,107,556	-	-	Equity	Land - Residential	NA	NA	NA			
VP26	R05A34	LB AQUA VISTA LLC	6,218,727	-	-	Equity	Land - Non Residential	NA	NA	NA			
VF28	R04A61	TROXLER RESID VENTURES 35	47,268,361	-	-	Equity	Condo Conversion	NA	NA	NA			
SS94	R01A13	LB PALAUEA LLC	15,877,500	-	-	Equity	Land - Residential	NA	NA	NA			
SR41	RP7A09	LAKESIDE-LOS SANTEROS	10,000,000	-	-	2nd Lien	Single Family	NA	NA	NA			
TY33	R03A05	HERMITAGE ON HURON	1,551,419	-	-	2nd Lien	Multi Family	NA	NA	NA			
WH8903	R08A30	WEINREB NOTE	375,000	-	-	1st Lien	Other	NA	NA	NA			
1US758451	1US7584	Forte Village	-	-	-	1st Lien	Lodging	NA	NA	NA			
		Totals	10,986,731,234	79%	8,726,053,166	Totals			7,837,806,314	342,470,145	(705,148,488)	1,005,087,935	
						Negatives				(720,881,057)			
						Mark				73%		73%	

Kenny

MTS	Position Name	(June 08) Face	(June 08) Mark	(June 08) Basis	Jul-08 Marks	Basis post Markdowns	Property Type	Lien Type	Comment
<b>US PTG</b>									
<b>I. Walk Aways</b>									
UA29	PCCP LB Mariposa Lakes	25	60	15	(15)	-	Land	Equity	1,869 acres of unimproved land located in Stockton, CA. PCCP is still working towards entitling the land, and finalizing a development and financing agreement with the city. LB walking away from deal.
VQ97	LB Bethesda 8400 LLC	9	97	8	(8)	-	Condos	Equity	Condo development project in Bethesda, MD. LB walking away from deal; Need to write-off position.
WD87	Terrazas River Park Village	13	99	13	(13)	-	Condos	Mezz	Ground up condo development in Miami, FL. LB walking away from deal; Need to write-off position.
<b>Total Walk Aways</b>		<b>47</b>	<b>78</b>	<b>37</b>	<b>(37)</b>	<b>-</b>			
<b>II. Based on Bids</b>									
WH5712	Orlando Assets Acquisition	197	76	149	(30)	119	Multifamily	REO	Two failed condo projects in Orlando, FL. Loan had a 73% LTV based on gross sell-out value (89% as-complete value) at time of origination. Trimont's most recent current value is \$118mn. LB looking to sell as a rental. Mark based on recent bid.
UG68	The Mark- Park Lofts LLC	16	77	12	(7)	5	Condos	Equity	244 unit condo development in San Diego, CA that is currently 50% sold. 7/1/08 IRR model provided by Trimont is showing a total loss of our equity position. Based on \$30mn soft offer from borrower to buy us out, and after paying off \$25mn of debt and other expenses, required mark on equity is \$7mn.
WH4767	Colonial Grand at Bayshore	50	74	37	(9)	28	Condos	REO	The Project consists of the conversion of an existing 376-unit Class B+ apartment complex located in Bradenton, FL. Position went REO in Jul-08. Trimont's current value is \$28mn. Mark based on recent bid.
<b>Total Based on Bids</b>		<b>263</b>	<b>75</b>	<b>198</b>	<b>(46)</b>	<b>152</b>			
<b>Total US PTG</b>		<b>310</b>	<b>76</b>	<b>235</b>	<b>(83)</b>	<b>152</b>			

307

PTG 118  
Comm 190  
308

308

RE 100 98  
Mtg 90 21  
190  
165 (34)

MTS	Position Name	(June 08) Face	(June 08) Mark	(June 08) Basis	Jul-08 Marks	Basis post Markdowns	Property Type	Lien Type	Comment
<u>US Commercial</u>	25 Broad	368	95	351	(40)	311	Condo	Senior	A 346-unit condo project in downtown Manhattan. Less than 50 units sold since origination about 3 years ago. Original LTV was 118% based on rental value, however we had a personal guaranty from Kent Swig for rental and condo value differential. LTV was 90% based on condo value at time of origination. Loan has a L+395 coupon, but was restructured for interest to be deferred as interest reserve was depleted. MTM based on rental value of collateral based on third party appraisal at origination. Working with borrower to restructure deal, but foreclosure is likely.
	Broadway III	460	92	424	(100)	324	Office	Mezz	High LTV (95% at origination) bridge mezz positions on Broadway's acquisition of Beacon Fund III (a portfolio of 5.7 million sf of Class A office space in NY, Boston, San Francisco, and Los Angeles). Bridge mezz matures in May-09. Certain assets have deteriorated in value due to higher cap rates and less than expected rental growth. Coupon is currently at 11.6%, but is deferred. Current LTV based on recent sales/ market color is approx. 105%. Suggested markdown brings LTV to approximately 100%. Deal also poses significant refinancing risk.
	EOP Austin B Notes	Various	Various	Various	(51)				Deals currently circled and expected to close by end of August. Mark relates to expected realized losses on the sales.
	<b>Total US Commercial</b>				<b>(191)</b>				
<u>US SunCal</u>	Various				(58)				
<u>Total US</u>					<b>(332)</b>				
<u>Europe</u>	Various				(70)				Approximately five bonds and seven positions with credit impairment.
<u>Asia</u>	Various				(25)				
<u>Global Total</u>					<b>(427)</b>				

US Kenny - 332  
 US As of 308

U.S.

25 Broad	40
BWAY III	100
EOP Austin	51
Zachowri	30
Terrazas	13
Col. Grand	9
Bethesda	8
The Mark	7
Mariposa A	15
Commons	35

Need 15 From Euc

403  
619  
383  
180

1585

-15 - Euc  
-9 - Santa Monica

1561

Asia 28

SPC -45

Case Rm rate 20

CD + Arch 100 19

308 July → Euc 70mm → Asia 25mm

Global July

403

U.S. Aug

Sunco Cat	215
Prologis	72.5
200 5th	22.50

Sunco market?  
2am

Stella said  
9:50am just  
FID piece

68 335  
Sunco 215  
Hilton 26

mtg Austin	10
mtg Prologis	90 (EMD)
mtg Procdium	7.85
Hilton	26

400 (Am I)  
100 LCP

100 AI  
LBHI 350

75 Eur other  
75 Eur PAMI

Various Dates 46 X Agreement  
Architecture 125 (+12+13) → each at 69 mark  
+3.8 +7mm

mtg Project base (b) -11 → OVA // 68 + 5th

10,000 Santa Monica + 9

EMD extra  
Hilton 12  
704 215  
Prologis 2  
16.5

Hwy 101	618.95
+176	383 + 117 / 500 Total
+Euc	180 + 70 / 250 Total

Atlanta Area 10

US 1014 down 600  
6.5 up 350  
250

I am possibly in curve

Market 24  
CPA

Notes EMD  
Sunco Reviv.  
Cred/mty  
35.3  
41.7  
342.2  
11.3

Europe

5-17

12,000 Suedent  
9

~~market~~ 7

~~Walt~~ 7

~~Page~~ 5

PE

Winters B.E - 10

Longacre 5

PE

Devonshire 10 40 (34 + 6)

PE

Cocur Defense 32 ~~30~~

Chancery Gate 10

B-B Market Harbor 6

Investment 3, 1

Rodhouse 9.4

Harly 1

Edinburgh House 8.2 8.2

Mission 11 11

City Lofts 10 10

Rockpoint 34 29

Big Apple 2

CMBS Debt, B notes, 80.7 2.8

250.4

70 July

ASIA

25mm - July

?

Mark-ups

JFK Airport 10

Cabo San Lucas 35

+ construction

Karasuma - Br. loan on land parcel

Kyoto ~~(33)~~ < 20 >

~~Mark-up~~ 8 var pol

NCC Hanao (3)

NCC Hitech (5)

= 25 net

Per Rate

Deal Mgr	Position	Updated List	Comments	For Sale Residential Housing	Reason
Cho	PCCP LB MOUNTAIN HOUSE LLC	(42,000,000)	Equity investment in entitled land and partially developed lots (966 lots) in Mountain House, CA, a commuter suburb to the Bay area. \$28mm of senior debt provided by Wells Fargo. MTM is based on slower sell-out and reduced prices.	Yes	Credit
Ridini	Commons of McLean	(35,000,000)	REO asset comprised of garden apartments in MacLean, VA. MTM reflects anticipated sale price.	Yes	Credit
Bruni	ORLANDO ASSETS ACQUISITION LLC	(30,000,000)	REO asset comprised of garden apartments in Orlando, FL. MTM reflects anticipated sale price.	Yes	Credit
Visone	LB WEST BAY DEVELOPMENT LLC	(30,000,000)	REO asset comprised of land and unsold condos outside of Naples, FL. Previous business plan assumed development of three additional condo towers. MTM reflects sale of units at significantly reduced prices and no development of future phases.	Yes	Credit
Ridini	MONUMENT REALTY LINE	(30,000,000)	Line of credit to Monument Realty, one of the largest clients of GREG and LBREP. Collateral pledged to our facility is secured by future development profit which will likely not materialize in this environment. Several assets are being sold and not developed (Watergate, Commons of MacLean and Potomac Place).	Yes	Credit
Bruni	MONTELUCCIA HOTEL & VILLAS MEZZ	(30,000,000)	Hotel and Villa development under construction in Scottsdale, AZ. Borrower has \$70mm in cash equity and \$25mm of cost overruns. Sr. loan in default with Euro-Hypo due to construction loan out of balance. LB is unwilling to fund additional capital to bring the loan into balance due to declining hotel value. LB currently negotiating with the borrower to a nominal buy-out of our mezzanine position and walk away from the deal.	Yes	Credit
Bruni	BOULDER SPRINGS	(25,000,000)	First mortgage loan secured by entitled land (1,148 lots) in inland Empire, CA. Loan matured 6/30 and is currently in default. LB pursuing foreclosure and will market the land for sale.	Yes	Credit
Schoenherr	PRESTIGE PORTFOLIO	(20,000,000)	50/50 JV equity investment with Archon secured by portfolio of apartments in Florida. Currently not achieving u/w business plan.	No	Yield
Bruni	PETRINI BAKERSFIELD	(17,000,000)	First mortgage loan secured by entitled land (1,629 lots) in Bakersfield, CA. Loan matured 6/30 and is currently in default. LB pursuing foreclosure and will market the land for sale.	Yes	Credit
Cho	PCCP LB MARIPOSA LAKES LLC	(15,231,918)	Option contract to purchase 9000 lots in Stockton, CA. \$2mm estimated cost to complete coupled with \$30mm option payment (March '09) in a weakening market renders this investment worthless.	Yes	Credit
Bruni	TERRAZAS RIVER PARK VILLAGE	(13,276,283)	Mezzanine loan on Condo tower under construction in Miami, FL. i-Star has called the construction loan out of balance and LB is unwilling to fund additional capital to rebalance the loan and carry the senior debt.	Yes	Credit
Ridini	SWENSON CONSTRUCTION LLC	(10,000,000)	REO asset comprised of land and unsold condos outside of Las Vegas. Mark reflects current letter of intent to purchase from a student housing operator.	Yes	Credit
Visone	222 BROADWAY	(9,510,077)	Mezzanine loan Condo tower under construction in Oakland, CA. Projected slower sell-out of units coupled with lower pricing will result in full principal loss to the mezzanine loan.	Yes	Credit
Ridini	POTOMAC PLACE MEZZANINE	(9,008,992)	Mezzanine loan Condo conversion in Washington, DC. Projected slower sell-out of units coupled with lower pricing will result in full principal loss to the mezzanine loan.	Yes	Credit
Schoenherr	COLONIAL GRAND AT BAYSHORE SEN	(9,000,000)	REO asset comprised of garden apartments in Bradenton, FL. MTM reflects anticipated sale price.	Yes	Credit
Visone	OASIS	(9,000,000)	Mezzanine loan on Condo tower recently completed in Fort Meyers, FL. Projected slower sell-out of units coupled with buyer fall-out and lower pricing will result in a projected 50% principal loss to the mezzanine loan.	Yes	Credit
Westfahl	LB LECRAW PORTFOLIO LLC	(8,617,446)	40% JV equity investment with AEW and Lyon secured by portfolio of apartments in Atlanta. Currently not achieving u/w business plan.	No	Credit
Ridini	LB WATERGATE LLC	(8,578,414)	Mezzanine loan recently matured and was extended to market the property for sale. Property is listed for sale and preliminary price talk suggests that LB's equity is worthless.	Yes	Credit
Visone	LB BETHESDA 8400 LLC	(8,385,234)	Equity investment in a land parcel in Bethesda to construct luxury condos. Deed-in-lieu July '08.	Yes	Credit

Cabat 35  
 JFK + 10

Deal Mgr	Position	Updated List	Comments	For Sale Residential Housing	Reason
Cho	LB WHITEFACE LODGE LLC	(8,000,000)	REO asset owned 60/40 in JV with Gramercy Capital comprised of land and unsold fractional interests in Lake Placid, NY. MTM reflects indication of expected bid levels.	Yes	Credit
Schoenherr	Lincoln Pointe	✓ (8,000,000)	A first mortgage secured by a multifamily project in Aventura, FL. LB is foreclosing on property and is marketing for sale. MTM reflects anticipated sale price.	Yes	Credit
Cho	PCCP ROSEVILLE/FIDDYMENT	(7,500,000)	Reversal of previous mtm. 3434 lots in Sacramento. \$45mm of Wells Fargo debt. MTM reflects bid from our JV partner.	Yes	Yield
Bruni	THE MARK- PARK LOFTS LLC	(7,300,000)	MTM reflects DPO to existing borrower on a completed condo project in San Diego.	Yes	Credit
Schoenherr	LB SOUTH BEACH LLC	(7,008,514)	Condo hotel located in Miami. LB was under contract with existing client (Gencom) for \$73mm which fell out of bed 7/31 due to failed negotiations with hotel management company. Indications are client will ask for a \$5mm price reduction.	Yes	Credit
Bruni	LB TROXLER RESID VENTURES 16	(6,869,506)	Equity investment in a single family residential (235 lots) construction deal in Woodland, CA. First Bank is re-margining the debt and LB declines capital call due to weakening market fundamentals and is walking away from the transaction.	Yes	Credit
Cho	PCCP LB SAND CREEK AND SADDLEB	(6,437,558)	Equity investment in a single family residential construction deal in Sacramento. Market fundamentals are deteriorating and LB is walking away from the transaction.	Yes	Credit
Ridini	CLEMSON SENIOR	(6,000,000)	First mortgage loan secured by entitled land, 50 acres of commercial retail land (936 lots) in Clemson, SC. Loan ran out of interest reserve and borrower was negotiating a DPO. LB pursuing foreclosure simultaneously and will market the land for sale.	Yes	Credit
Schoenherr	LB THUNDER SPRINGS	(6,000,000)	REO asset comprised of unsold condos in Sun Valley, ID. Mark sale of 6 remaining units at reduced prices.	Yes	Credit
Ridini	LB NWP LLC	(5,943,442)	Equity ownership in an office building located in Rosemont, IL. Property has been slow to lease up and is currently operating at 50% occupancy. MTM is based on the underperformance of the collateral relative to underwriting		Yield
Visone	LB 1200 MAIN PARTNER LLC	(5,178,637)	REO asset comprised of unsold condos in Dallas, TX. MTM reflects slower absorption coupled with sale of units at reduced prices.	Yes	Credit
Brogan	RIVER SOUND DEVELOPMENT LLC	(5,000,000)	REO asset comprised of vacant unentitled land in Old Saybrook, CT. MTM reflects liquidation value.	Yes	Credit
Visone	ICON BRICKELL	(5,000,000)	Mezzanine loan on Condo tower recently completed in Miami, FL.. Projected slower sell-out of units coupled with buyer fail-out and lower pricing will result in a projected 50% principal loss to the mezzanine loan.	Yes	Credit
Brogan	LB COLORADO SPRINGS LLC	(5,000,000)	REO position in entitled mixed-use development in Colorado Springs, CO. The value of residential land has plummeted in Colorado Springs which will result in slower absorption in sales	Yes	Credit
Manna	Sheraton Keahu	✓ (5,000,000)	Mezzanine loan secured by a beach resort hotel in Hawaii. Borrower is unwilling to fund operating shortfalls and was marketing the property for sale. MTM reflects bid.	No	Credit
Bruni	LB BRENTWOOD LLC	(4,715,934)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Westfahl	LB SPRING CREEK INVESTORS LLC	(4,409,064)	40% JV equity investment with AEW Lyon Housing purchased three garden-style apartment communities totaling 1,180-unit in Sandy Springs, GA. Challenging local market conditions have put downward pressure on occupancy and rental rates at all three properties, ultimately causing operating shortfalls that require additional equity.	No	Credit
Bruni	LB EL CAJON LLC	(4,181,653)	Business plan was to re-entitle 9.3 acres of land in San Diego, CA for a 280 condo unit development. Residential development no longer viable due to deteriorating market conditions and property is under contract for \$20.75MM "as-is."	Yes	Credit
Westfahl	RIVERWALK SQUARE	(4,000,000)	Mezzanine loan secured by a condo development under construction in Scottsdale, AZ. With the extended presumed sell out and slower sales, the senior loan interest carry has eroded profit and impaired the value of the mezzanine loan. Borrower has offered \$14mm as a discounted payoff of the loan.	Yes	Yield
Cho	PCCP KAMILOS	(4,000,000)	Developer for Mountain House, College Park and Mariposa. A personal loan secured by ownership interests in several land development projects.	Yes	Credit

(5)

(5)

VE 78 trailers 34 (3.3)

Deal Mgr	Position	Updated List	Comments	For Sale Residential Housing	Reason
Visone	Riande	(4,000,000)	Operating hotel with a planned renovation in south beach. Loan matures in October '08 and LB has told our borrower that we will not open the construction loan funding. It is expected that LB will stay in the deal in a subordinate mezz loan. Refi risk.	No	Yield
Cho	PCCP LB COLLEGE PARK LLC	(3,820,388)	Equity investment in a single family residential construction deal in Mountain House, CA. Bank of the West is expected to re-margin the debt in conjunction with an extension which LB will not fund. It is anticipated that they will foreclose.	Yes	Credit
Visone	LB SANCTUARY BAY HILL ACQUISIT	(3,600,000)	REO asset -304 unit partially converted condo conversion in Orlando, FL. Foreclosed on the property through the mezz loan on 4/08 and marketing the remaining units in bulk for a discount.	Yes	Credit
Bruni	OTAY MESA	(2,500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize itself combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	LB EL DORADO LLC	(2,214,954)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Osgood	LB 816 CONGRESS AVE LLC	(2,000,934)	Equity ownership in an office building located in Austin, TX. LB is expected to sell the position and the MTM is based on the expected sales price	No	Credit
Bruni	VCC HILLSBORO	(2,000,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	OCEAN RANCH (DEBT POSITION)	(2,000,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Cho	LB FORT LEE LLC	(2,000,000)	Reversal of prior MTM. Two class-A office buildings in Ft. Lee, NJ consisting of 243,000 SF. No The property was sold for \$86.2MM and Lehman retained a \$7.8MM interest in a Seller Preferred Equity Loan accruing at 6%.	No	Yield
Westfahl	HOUSTON APARTMENTS	(2,000,000)	REO asset comprised of three class-B garden style, multifamily properties in Houston, Texas. No The properties have suffered from poor management that ran occupancies down to as low as 70%. Lehman is marketing the properties for sale.	No	Credit
Bruni	LB TACOMA ELKS LLC	(2,000,000)	Equity investment in a development site in Tacoma, WA. Senior loan has matured and borrower has not secured necessary entitlements. We are marketing the property for sale and LB and recovery of it's investment.	Yes	Credit
Bruni	LB NEV-SPANISH SPRINGS LLC	(1,986,109)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	SCOTTSDALE TECHNOLOGY CENTER (5.7)	(1,916,374)	Mezzanine loan in an office building located in Scottsdale, AZ. The borrower is marketing the property for sale and the MTM is based on the expected sales price	No	Credit
Bruni	LB WA MILL CREEK LLC	(1,662,793)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	LB ELK GROVE LLC	(1,245,470)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	LB TROXLER RES VENT 38 LLC	(1,100,000)	150 buildable acres of industrial land.E18	No	Yield

Deal Mgr	Position	Updated List	Comments	For Sale Residential Housing	Reason
Bruni	MILPITAS	(1,000,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	ROCKLIN	(1,000,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	LB LANCASTER LLC	(891,971)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	LB PALM DESERT LLC	(725,288)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	EAGLE RANCH	(531,476)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale.	No	Credit
Bruni	PALMDALE II	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	PALMDALE	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	SNOQUALMIE	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	VCC HILLCREST SENIOR	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	PALM DESERT	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	VCC VACAVILLE SENIOR	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit
Bruni	VCC LAS VEGAS	(500,000)	Position is part of a portfolio capitalized by LB and Venture Capital Corporation, a Bay Area developer, to construct and sell commercial condos. Sell-out has stalled due to market conditions and VCC is attempting to recapitalize combined with a sale of assets to Buchanan Street. These MTM reflect the pending sale allocated across the portfolio.	No	Credit

(518,846,430) 84% of MTM related to for-sale residential housing.

(501.8)

MTS	Position Name	Basis (July 08)	Gross-Up (July 08)	Gross B/S (July 08)	Markdown	Total		Indication of Impairment	Exit Date	Comment
						Undiscounted Cash Flows				
UG68/VE38	The Mark - Park Lofts LLC	35.65	44.48	80.13	(7.00)	87.75		No	7/31/2010	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs (excluding interest) per the 8/1/08 IRR model. The model assumes a selling price of \$809,754 for the unsold units.
VY58	1200 Main Loan	33.48	-	38.66	(5.18)	40.31		No	2/28/2011	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs (excluding interest) per the 8/1/08 IRR model. The model assumes a selling price of \$260,688 for the unsold units.
VH27	LB NWP LLC	11.97	25.27	37.24	(5.94)	32.70		Yes	12/1/2011	Undiscounted cash flows is based upon the property's NOI plus reversionary value less leasing and capital costs per the 7/1/08 IRR model from 7/31/08 through exit. The reversionary value is based upon a 10-yr DCF from the exit date utilizing a terminal cap rate of 7.5% and a discount rate of 8.5%.
WH5927	LB 816 CONGRESS LLC	77.68	2.57	80.26	(2.01)	97.14		No	9/30/2012	Undiscounted cash flows is based upon the property's NOI plus reversionary value less leasing and capital costs per the 8/1/08 IRR model from 8/31/08 through exit. The reversionary value is based upon a 10-yr DCF from the exit date utilizing a terminal cap rate of 6.75% and a discount rate of 8.25%.
WD23	OTAY MESA	16.04	0.39	16.43	(2.50)			Yes		No Model on Trimont's Site
VO94	OCEAN RANCH (DEBT POSITION)	9.64	0.49	10.13	(2.00)	10.30		No	5/31/2011	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs (excluding interest) per the 8/1/08 IRR model. The model assumes a selling price of \$431,503 for the unsold units.
WH9027	LB SANCTUARY BAY HILL	12.61	-	12.61	(3.60)	11.87		Yes	11/30/2010	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs 8/1/08 IRR model. The model assumes a selling price of \$202,539 for the unsold units.
VU34	ROCKLIN	5.34	0.43	5.77	(1.00)	5.81		No	6/30/2010	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs 8/1/08 IRR model. The model assumes a selling price of \$337,680 for the unsold units.
WD55	PALMDALE	6.46	0.20	6.66	(0.50)	6.96		No	6/10/2010	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs 8/1/08 IRR model. The model assumes a selling price of \$367,171 for the unsold units.
VN89/VN90	PALM DESERT	2.25	0.34	2.60	(1.23)	4.25		No	1/31/2010	Undiscounted cash flows is based upon the net sales value of the remaining unsold units less any remaining hard costs, soft costs, and carry costs 8/1/08 IRR model. The model assumes a selling price of \$403,947 for the unsold units.

Real Estate Write Downs  
 JUNE

\$ in millions	Gross Writedowns	Hedge Gains/Loss	Net
<b>Americas Trading Book</b>	\$ (29)	\$ 25	\$ (4)
<b>Commercial</b>	\$ (28)	\$ 25	\$ (3)
Position writedowns	\$ (3)	\$ -	\$ (3)
ITraxx gains used to mark down positions	\$ (20)	\$ 20	\$ -
CMBX/DNS gains used to mark down positions	\$ (6)	\$ 6	\$ -
<b>PTG</b>	\$ (1)	\$ -	\$ (1)
Position writedowns	\$ (1)	\$ -	\$ (1)
<b>Americas Hedging Book</b>	\$ (44)	\$ 44	\$ -
<b>Commercial</b>	\$ (44)	\$ 44	\$ -
Duration Neutral Swaps	\$ (18)	\$ 18	\$ -
CDX	\$ 0	\$ (0)	\$ -
CMBX	\$ (16)	\$ 16	\$ -
TRS	\$ (10)	\$ 10	\$ -
<b>Total Americas</b>	\$ (73)	\$ 69	\$ (4)
<b>Europe</b>	\$ (13)	\$ -	\$ (13)
<b>Asia</b>	\$ (5)	\$ -	\$ (5)
<b>Total Real Estate Write Downs</b>	\$ (91)	\$ 69	\$ (22)

Real Estate Write Downs  
 JUL

\$ in millions	Gross Writedowns	Hedge Gains/Loss	Net
<b>Americas Trading Book</b>	\$ (323)	\$ -	\$ (323)
<b>Commercial</b>	\$ (153)	\$ -	\$ (153)
Position writedowns	\$ (153)	\$ -	\$ (153)
ITraxx gains used to mark down positions	\$ -	\$ -	\$ -
<b>PTG</b>	\$ (170)	\$ -	\$ (170)
Position writedowns	\$ (170)	\$ -	\$ (170)
<b>Americas Hedging Book</b>	\$ (13)	\$ 13	\$ -
<b>Commercial</b>	\$ (13)	\$ 13	\$ -
Duration Neutral Swaps	\$ 5	\$ (5)	\$ -
CDX	\$ (0)	\$ 0	\$ -
CMBX	\$ (16)	\$ 16	\$ -
TRS	\$ (2)	\$ 2	\$ -
<b>Total Americas</b>	\$ (336)	\$ 13	\$ (323)
<b>Europe</b>	\$ (70)	\$ -	\$ (70)
<b>Asia</b>	\$ (25)	\$ -	\$ (25)
<b>Total Real Estate Write Downs</b>	\$ (431)	\$ 13	\$ (418)

Real Estate Write Downs  
AUG

\$ in millions	Gross Writedowns	Hedge Gains/Loss	Net
<b>Americas Trading Book</b>	\$ (925)	\$ 0	\$ (925)
<b>Commercial</b>	\$ (415)	\$ 0	\$ (415)
Position writedowns	\$ (415)	\$ -	\$ (415)
ITraxx gains used to mark down positions	\$ -	\$ -	\$ -
<b>PTG</b>	\$ (510)	\$ -	\$ (510)
Position writedowns	\$ (510)	\$ -	\$ (510)
<b>Americas Hedging Book</b>	\$ (25)	\$ 25	\$ -
<b>Commercial</b>	\$ (25)	\$ 25	\$ -
Duration Neutral Swaps	\$ (5)	\$ 5	\$ -
CDX	\$ 0	\$ (0)	\$ -
CMBX	\$ (8)	\$ 8	\$ -
TRS	\$ (12)	\$ 12	\$ -
<b>Total Americas</b>	\$ (949)	\$ 25	\$ (925)
<b>Europe</b>	\$ (155)	\$ -	\$ (155)
<b>Asia</b>	\$ (30)	\$ -	\$ (30)
<b>Total Real Estate Write Downs</b>	\$ (1,134)	\$ 25	\$ (1,110)

NET P&L BREAKDOWNS						
	2007	1Q 08	2Q 08	1H 08	3Q 08	YTD
Gross Asset Change	(1,192)	(1,444)	(894)	(2,338)	(1,550)	(3,888)
Americas	(1,045)	(1,172)	(793)	(1,965)	(1,251)	(3,216)
Europe	(127)	(267)	(99)	(366)	(238)	(604)
Asia	(20)	(5)	(2)	(7)	(60)	(67)
Hedge Change	285	380	(230)	150	107	257
<b>Total Position Marks</b>	<b>(907)</b>	<b>(1,064)</b>	<b>(1,124)</b>	<b>(2,188)</b>	<b>(1,443)</b>	<b>(3,631)</b>
Hedge Inefficiency		(28)	(223)	(251)	0	(251)
<b>Total Net P&amp;L Impact</b>	<b>(907)</b>	<b>(1,092)</b>	<b>(1,347)</b>	<b>(2,439)</b>	<b>(1,443)</b>	<b>(3,882)</b>

**Position Marks by Category**      **2007**    **Q1 2008**    **Q2 2008**    **Q3 2008**

GAAP Asset Class				
Mortgage Inventory	(630)	(732)	(506)	(708)
RE Held for Sale	(276)	(341)	(274)	(718)
Corporate Debt	0	(54)	(27)	(24)
Corporate Equity	0	0	(289)	(100)
<b>Total</b>	<b>(906)</b>	<b>(1,126)</b>	<b>(1,096)</b>	<b>(1,550)</b>

Significant Exposure Bucket				
Archstone	0	0	(289)	(110)
Suncal	(129)	(166)	(178)	(212)
Other U.S.	(630)	(688)	(557)	(929)
Europe	(127)	(267)	(78)	(238)
Asia	(20)	(5)	7	(60)
<b>Total</b>	<b>(906)</b>	<b>(1,126)</b>	<b>(1,096)</b>	<b>(1,550)</b>

FAS157 Category				
Level 1	0	0		
Level 2	(321)	(504)	(225)	(355)
Level 3	(309)	(125)	(428)	(322)
Consolidated (Not Subj. to FAS157)	(276)	(497)	(442)	(873)
<b>Total</b>	<b>(906)</b>	<b>(1,126)</b>	<b>(1,096)</b>	<b>(1,550)</b>

Real Estate Write Downs  
Q3

\$ in millions	Gross Writedowns	Hedge Gains/Loss	Net
<b>Americas Trading Book</b>	\$ (1,277)	\$ 25	\$ (1,251)
<b>Commercial</b>	\$ (596)	\$ 25	\$ (571)
Position writedowns	\$ (571)	\$ -	\$ (571)
Itraxx hedge gains	\$ (20)	\$ 20	\$ -
CMBX/DNS gains/ Trading	\$ (6)	\$ 6	\$ -
<b>PTG</b>	\$ (681)	\$ -	\$ (681)
Position writedowns	\$ (681)	\$ -	\$ (681)
<b>Americas Hedging Book</b>	\$ (81)	\$ 81	\$ -
<b>Commercial</b>	\$ (81)	\$ 81	\$ -
Duration Neutral Swaps	\$ (17)	\$ 17	\$ -
CDX	\$ 0	\$ (0)	\$ -
CMBX	\$ (40)	\$ 40	\$ -
TRS	\$ (24)	\$ 24	\$ -
<b>Total Americas</b>	\$ (1,358)	\$ 107	\$ (1,251)
<b>Europe</b>	\$ (238)	\$ -	\$ (238)
<b>Asia</b>	\$ (60)	\$ -	\$ (60)
<b>Total Real Estate Write Downs</b>	\$ (1,656)	\$ 107	\$ (1,550)

Real Estate Write Downs  
Q3

\$ in millions	Gross Writedowns	Hedge Gains/Loss	Net
<b>Americas Trading Book</b>	\$ (1,312)	\$ 25	\$ (1,286)
<b>Commercial</b>	\$ (596)	\$ 25	\$ (571)
Position writedowns	\$ (571)	\$ -	\$ (571)
Itraxx hedge gains	\$ (20)	\$ 20	\$ -
CMBX/DNS gains/ Trading	\$ (6)	\$ 6	\$ -
<b>PTG</b>	\$ (716)	\$ -	\$ (716)
Position writedowns	\$ (716)	\$ -	\$ (716)
<b>Americas Hedging Book</b>	\$ (78)	\$ 78	\$ -
<b>Commercial</b>	\$ (78)	\$ 78	\$ -
Duration Neutral Swaps	\$ (16)	\$ 16	\$ -
CDX	\$ 0	\$ (0)	\$ -
CMBX	\$ (39)	\$ 39	\$ -
TRS	\$ (23)	\$ 23	\$ -
<b>Total Americas</b>	\$ (1,390)	\$ 103	\$ (1,286)
<b>Europe</b>	\$ (238)	\$ -	\$ (238)
<b>Asia</b>	\$ (60)	\$ -	\$ (60)
<b>Total Real Estate Write Downs</b>	\$ (1,688)	\$ 103	\$ (1,585)
Run Rate	0	0	\$ (69)
RE Advisory	0	0	\$ (382)
<b>Total Real Estate Revenue</b>			\$ (2,036)

<b>NET P&amp;L BREAKDOWNS</b>					
	<b>2007</b>	<b>1Q 08</b>	<b>2Q 08</b>	<b>3Q 08</b>	<b>YTD</b>
Gross Asset Change	(1,192)	(1,444)	(894)	(1,585)	(3,923)
Americas	(1,045)	(1,172)	(793)	(1,286)	(3,251)
Europe	(127)	(267)	(99)	(238)	(604)
Asia	(20)	(5)	(2)	(60)	(67)
Hedge Change	285	380	(230)	103	253
<b>Total Position Marks</b>	<b>(907)</b>	<b>(1,064)</b>	<b>(1,124)</b>	<b>(1,482)</b>	<b>(3,670)</b>
Hedge Inefficiency		(28)	(223)	0	(251)
<b>Total Net P&amp;L Impact</b>	<b>(907)</b>	<b>(1,092)</b>	<b>(1,347)</b>	<b>(1,482)</b>	<b>(3,921)</b>

**Position Marks by Category**      **2007**    **Q1 2008**    **Q2 2008**    **Q3 2008**

**GAAP Asset Class**

Mortgage Inventory	(630)	(576)	(338)	(607)
RE Held for Sale	(276)	(497)	(442)	(848)
Corporate Debt	0	(54)	(27)	(30)
Corporate Equity	0	0	(289)	(100)
<b>Total</b>	<b>(906)</b>	<b>(1,126)</b>	<b>(1,096)</b>	<b>(1,585)</b>

**Significant Exposure Bucket**

Archstone	0	0	(289)	(110)
Suncal	(129)	(166)	(178)	(212)
Other U.S.	(630)	(688)	(557)	(964)
Europe	(127)	(267)	(78)	(238)
Asia	(20)	(5)	7	(60)
<b>Total</b>	<b>(906)</b>	<b>(1,126)</b>	<b>(1,096)</b>	<b>(1,585)</b>

**FAS157 Category**

Level 1	0	0		
Level 2	(321)	(504)	(225)	(379)
Level 3	(309)	(125)	(428)	(357)
Consolidated (Not Subj. to FAS157)	(276)	(497)	(442)	(848)
<b>Total</b>	<b>(906)</b>	<b>(1,126)</b>	<b>(1,096)</b>	<b>(1,585)</b>

Please note: For JVs with IMD the share of their revenues for Coeur Defence, Archstone & Suncal Master 3 - EXCLUDED from markdowns above (only Real Estate BPM shown)

Global Real Estate 2008 Net Mark Downs  
 (\$mm)

Description	Mark Downs Q1 08	Mark Downs Q2 08	Mark Downs Q3 08
Land and Condos (CA only)			
CA Land & Condos - Troxler	(23)	(130)	(8)
CA Land & Condos - SunCal	(156)	(178)	(212)
CA Land & Condos - Other	(124)	(17)	(145)
Total Land and Condos (CA only)	(303)	(325)	(365)
Land and Condos (US excluding CA)	(120)	(148)	(350)
US Other Principal Transactions	(4)	(7)	0
US Comm'l Whole Loans (Sr, Mezz, B-notes)	(143)	(195)	(306)
CMBS Securities	(150)	0	0
Bridge Equity	(72)	(349)	(265)
<b>Total US</b>	<b>(792)</b>	<b>(1,025)</b>	<b>(1,286)</b>
Europe Principal Transactions	(5)	(34)	(10)
Europe Comm'l Loans, CMBS & Bridge Equity	(262)	(44)	(228)
<b>Total Europe</b>	<b>(267)</b>	<b>(78)</b>	<b>(238)</b>
Total Asia	(5)	7	(60)
<b>Total Real Estate Position Mark Downs</b>	<b>(1,064)</b>	<b>(1,096)</b>	<b>(1,585)</b>
RE Held for Sale	(287)	(442)	(848)
Mortgages & Mortgage Backed	(724)	(338)	(607)
Corporate Debt	(54)	(27)	(30)
Corporate Equity	0	(289)	(100)
	(1,064)	(1,096)	(1,585)
Non-Itraxx Hedges			78
Itraxx hedges	0	(181)	20
CMBX/DNS Trading	(28)	(42)	6
	(28)	(223)	103
<b>Total Write Downs (INCL Hedges)</b>	<b>(1,092)</b>	<b>(1,318)</b>	<b>(1,482)</b>

Exposure Category	(All)
Category 1	(All)
Q3 REALIZED/UNREALIZED	(All)
REGION	(All)

		Data			
GAAP Asset Category - Q3	Lien (DIS)	Sum of JUNE	Sum of JUL	Sum of AUG	Sum of Mark Downs 3RD Qtr 08
Corporate Debt	Other Corp Debt	3.7	(2.9)	(26.0)	(25.2)
	Revolver		(2.1)		(2.1)
	Senior	3.7		(6.2)	(2.5)
<b>Corporate Debt Total</b>		<b>7.4</b>	<b>(5.0)</b>	<b>(32.2)</b>	<b>(29.8)</b>
Corporate Equity	Equity			(100.0)	(100.0)
<b>Corporate Equity Total</b>				<b>(100.0)</b>	<b>(100.0)</b>
Mortgages & Mortgage Backed	Equity		(47.0)	(72.5)	(119.5)
	Financing Trade		(1.6)		(1.6)
	Mezzanine	7.0	(12.2)	(153.3)	(158.5)
	NPL			2.9	2.9
	Other Corp Debt				0.0
	Securities		(7.8)	(42.5)	(50.3)
	Senior	(21.0)	(140.3)	(118.4)	(279.7)
	(blank)				0.0
<b>Mortgages &amp; Mortgage Backed Total</b>		<b>(14.0)</b>	<b>(209.0)</b>	<b>(383.7)</b>	<b>(606.7)</b>
RE Held for Sale	Equity	(14.1)	(64.7)	(364.3)	(443.1)
	Financing Trade			(1.0)	(1.0)
	First				0.0
	Mezzanine	(1.6)	(96.0)	(70.7)	(168.3)
	REO				0.0
	Securities				0.0
	Senior		(43.2)	(192.9)	(236.1)
<b>RE Held for Sale Total</b>		<b>(15.7)</b>	<b>(203.9)</b>	<b>(628.9)</b>	<b>(848.5)</b>
<b>Grand Total</b>		<b>(22.3)</b>	<b>(417.8)</b>	<b>(1,144.9)</b>	<b>(1,585.0)</b>

<u>MARKDOWNS</u>	<u>POSITION</u>	<u>VALUE</u>	<u>CATEGORY</u>
	Archstone LB Syndication	(110.0)	Corporate Equity
	Project Trois Bridge Mezz	(100.0)	RE Held for Sale
	SCC Communities I	(97.6)	RE Held for Sale
	PLF LB Syndication Partner LLC	(72.5)	RE Held for Sale
	Suncal Marblehead/Heartland	(52.3)	RE Held for Sale
	237 Park Bridge Mezz li	(45.0)	Mortgages & Mortgage Backed
	Suncal Ritter Ranch	(42.1)	RE Held for Sale
	PCCP Mountain House	(41.0)	RE Held for Sale
	25 Broad	(40.0)	Mortgages & Mortgage Backed
	Rosslyn Bridge Equity	(40.0)	RE Held for Sale
	Commons of McLean	(35.0)	RE Held for Sale
	Orlando Assets Acquisition	(34.0)	RE Held for Sale
	Monument Realty Line	(30.0)	RE Held for Sale
	Austin EOP - Frost and San Jacinto	(27.4)	Mortgages & Mortgage Backed
	Master 3	(27.3)	RE Held for Sale
	Project Murphy (Hilton) Mezz	(26.0)	Corporate Debt
	Austin EOP - Various B notes	(25.3)	Mortgages & Mortgage Backed
	LB West Bay Development LLC	(24.0)	RE Held for Sale
	Montelucia Hotel & Villas Mezz	(23.0)	Mortgages & Mortgage Backed
	200 Fifth Ave LB Syndication Partner LLC	(22.5)	RE Held for Sale
	Suncal Pacific Point	(22.0)	RE Held for Sale
	237 Park Ave Atrium Mezz	(22.0)	Mortgages & Mortgage Backed
	Boulder Springs	(20.0)	Mortgages & Mortgage Backed
	Petrini Bakersfield	(16.0)	RE Held for Sale
	PCCP LB Mariposa Lakes LLC	(15.2)	RE Held for Sale
	OTHERS	(276.2)	
<b>TOTAL</b>		<b>(1,286.4)</b>	

**EUROPE**

<u>MARKDOWNS</u>	<u>POSITION</u>	<u>VALUE</u>	<u>CATEGORY</u>
	Coeur Defense	(54.5)	RE Held for Sale
	Rockpoint	(29.0)	Mortgages & Mortgage Backed
	WINDERMERE XII - bonds	(24.0)	Mortgages & Mortgage Backed
	Miscellaneous Securities	(16.3)	Mortgages & Mortgage Backed
	Mission Capital	(11.0)	Mortgages & Mortgage Backed
	Vintners	(10.6)	RE Held for Sale
	Edinburgh House	(10.2)	RE Held for Sale
	City Lofts	(10.0)	Mortgages & Mortgage Backed
	Chancery gate	(10.0)	RE Held for Sale
	OTHERS	(72.9)	
<b>TOTAL</b>		<b>(238.5)</b>	

**ASIA**

<u>MARKDOWNS</u>	<u>POSITION</u>	<u>VALUE</u>	<u>CATEGORY</u>
	Project Cowboy	(50.0)	Mortgages & Mortgage Backed
	Japan PL- Kyoto Karasuma markdown	(16.4)	Mortgages & Mortgage Backed
	Project Tada	(9.4)	RE Held for Sale
	Aoyama Cieux Bldg	14.7	Mortgages & Mortgage Backed
	Towa	15.0	Mortgages & Mortgage Backed
	OTHER	(14.0)	
<b>TOTAL</b>		<b>(60.1)</b>	

**SUNCAL POSITIONS**

Marks as of 8/31/08

MPC Name	New Debt Mark 8/31/08	New Equity Mark 8/31/08	Total New Mark 8/31/08	Basis 8/31/08
Marblehead	-	-	-	n/a
Heartland (aka Twin Bridges)	-	-	-	n/a
M/H Combined	(52,323,925)	-	(52,323,925)	220,579,228
Acton	-	-	-	n/a
Beaumont Heights	-	-	-	n/a
Bickford Ranch	-	-	-	27,050,000
Emerald Meadows	-	-	-	n/a
Johansen Ranch	-	-	-	n/a
Summit Valley	-	-	-	n/a
SC Comm I Combined	(97,593,406)	-	(97,593,406)	147,687,607
Pacifica San Juan	(22,089,668)	-	(22,089,668)	96,092,559
OV Champions	-	-	-	62,621,806
Northlake	-	-	-	99,584,374
Delta Coves	22,500,000	-	22,500,000	128,719,560
Ritter Ranch	(48,617,682)	-	(48,617,682)	159,570,964
<b>TOTAL STANDALONE</b>	<b>(48,207,350)</b>	<b>-</b>	<b>(48,207,350)</b>	<b>546,589,263</b>
Del Rio	-	-	-	-
Tesoro Burnham	-	-	-	-
Joshua Ridge	-	-	-	-
<b>INTERIM LOAN COMBINED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,978,063</b>
Oak Knoll	-	(28,285,038)	(28,285,038)	-
Del Arno	-	(3,208,934)	(3,208,934)	-
Oak Knoll and Del Arno Combined	-	(31,493,973)	(31,493,973)	146,402,358
10,000 Santa Monica	-	3,676,996	3,676,996	202,278,725
Palm Springs (aka Avalon)	-	-	-	72,234,252
Master III Acquisition Reserve	-	(2,050,766)	(2,050,766)	4,611,800
<b>MASTER III JV COMBINED</b>	<b>-</b>	<b>(29,867,742)</b>	<b>(29,867,742)</b>	<b>425,527,135</b>
Western Ranch	-	-	-	2,920,850
SunCal's Interest in Master III JV	12,690,000	-	12,690,000	12,690,000
Borchard Patterson	-	-	-	n/a
Mc Allister Ranch	-	-	-	n/a
McSweeney Farms	-	-	-	n/a
Summerwind (aka Mountainside)	-	-	-	n/a
LBREP Total Syndicated Loan	-	-	-	98,300,536
Lehman % Share (All Tranches)	-	-	-	31,935,679
Lehman % Share (1st Lien Only)	-	-	-	31,935,679
<b>TOTAL LEHMAN - EXCL WALK ASSETS</b>	<b>(185,434,680)</b>	<b>(29,867,742)</b>	<b>(215,302,422)</b>	<b>1,407,907,825</b>
Terra Lago	-	-	-	-
Delta Shores	-	-	-	-
West Creek (aka Victor Valley)	-	-	-	-
<b>SUBTOTAL WALK ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LEHMAN - INCL WALK ASSETS</b>	<b>(185,434,680)</b>	<b>(29,867,742)</b>	<b>(215,302,422)</b>	<b>1,407,907,825</b>

half IND

2008 Affco Jan/Erin Presentation

Feb 08  
Apr: 1 Jan/Erin Presentation  
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COTTEN

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# Global Real Estate Product Control

## Global Real Estate Markdowns

*January, 2008*

LEHMAN BROTHERS



# Executive Summary

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- ◆ The capital markets meltdown continued into the first quarter. CMBS spreads have widened to all-time highs and investors have been staying on the sidelines.
- ◆ CMBS delinquencies are still at historic lows, but real estate is usually a lagging indicator
- ◆ Many of our bank loans and PTG positions are directly related to the residential housing sector, which is extremely troubled.
- ◆ In general, the collateral performance of our whole loan positions has not been an issue, but the spread widening at all the debt tranches have led to lower values.
- ◆ The inability to hedge our floating rate book and the mezz classes of our fixed rate loans has continued to result in losses.
- ◆ The mark downs effected in January are the best estimates by the business and product control at this time.

## Executive Summary (Continued)

- ◆ As part of its ongoing marking methodology, the Global Real Estate Group (GREG) performed a valuation review of their entire portfolio. The review took into consideration the continuing widening of credit spreads, continued sluggishness in the residential market, and lack of liquidity in the market place.
- ◆ The Real Estate Product Control group has reviewed the mark adjustments and agrees with these adjustments
- ◆ The review resulted in a total markdown of \$665mn (approx. \$505mn in the US, and \$160mn in Europe).

	Legal Balance (12/31/07)	Mark	Market Value (12/31/07)	Mark Downs (\$ millions)	Comments
US Commercial					
Fixed Rate Securitizable	941	99.1	933	-	Hedged for credit and interest rate movements
Suncal Term Loans	2,093	89.7	1,878	(147)	\$130mn markdowns were taken in 3Q/4Q 2007 (See page 3)
Term Loans / LOCs (excluding Suncal)	3,215	98.4	3,164	-	Mainly Archstone term loan, which has a full price flex
CMBS:					
Bonds	2,803	91.1	2,554	(68)	See page 4
IO's	32,101	1.5	485	(41)	See page 4
Bridge Equity	3,848	91.2	3,510	(72)	See page 5
Floating Rate B-Notes / Mezz	4,235	96.8	4,101	(40)	See page 6
Fixed Rate B-Notes / Mezz	2,172	97.4	2,117	(18)	See page 7
Floating Rate Whole Loans	5,308	97.8	5,190	(13)	See page 8
<i>Total US Commercial</i>	<i>56,716</i>	<i>n/m</i>	<i>23,930</i>	<i>(399)</i>	
US PTG	11,815	80.2	9,470	(111)	See page 9
Total Americas	68,532	n/m	33,400	(510)	
Europe				(160)	
<b>Total</b>				<b>(670)</b>	

## US Commercial: Suncal (\$147 million)

- ◆ The positions in this category include mainly term loans for residential land developments primarily located in southern CA. Original business strategy was to develop land and sell to home builders.
- ◆ As a result of the general slow down in the residential market, execution of original business plan is not going ahead as planned. Most loans have either defaulted and/or are in the process of foreclosure.
- ◆ Current business strategy is to foreclose and hold the assets until market recovers or other exit strategy is figured out.
- ◆ Valuation review took into consideration the extended absorption rate as a result of the softness of the market and decline in market prices.
- ◆ Valuation methodology was based on a DCF to a target unlevered IRR of 15%. Cash flow projections were provided by a third party vendor.

Asset Name	Lien Type	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
Suncal Master LBREP	Second/ Third/ Revolver Senior/ Mezz/	130	84.4	110	(45)	65	A master planned community on a 5,406 acres of undeveloped farmland and ranchland in Southern California. These include Mcallister Ranch, McSweeny, Summerwind Ranch and Borchard Patterson. 98% of the portfolio is entitled.
Ritter Ranch	Revolver	311	84.4	262	(39)	223	A 7,158-lot master planned community on a 6,675 acres of entitled land in Palmdale, CA, with a wide variety of housing products, including residential areas and commercial development areas.
Delta Shores	Equity	42	96.4	41	(34)	7	423 acres of unentitled land in Sacramento, CA planned for retail and residential development.
Oak Valley Champions	Senior/ Revolver	121	84.4	103	(22)	81	A 3,300-lot master planned community on approximately 982 acres located within the northern area of the City of Beaumont, Riverside County, CA. The development is primarily residential and will also include two commercial/retail sites and recreational fac
Marblehead / Heartland	Senior	294	94.9	279	(11)	269	A 1,290-lot master planned community on a 668 acres of entitled land in San Clemente (Orange County) and Beaumont (Riverside), CA. The development is primarily residential and will also include one commercial/retail site, and several parks.
Terra Lago	Equity	12	100.0	12	(7)	5	A 1,473-lot on a 350 acres of entitled land in Indio, CA planned for retail and residential development.
Pacific Point Various	Senior/ Revolver Various	141	72.9	102	8 2	110	A 387-lot master planned community on a 256 ares of entitled land located directly east of the San Diego (Orange County), CA. Planned housing products range from condos and townhomes to large estate lots as well as recreational centers.
					(147)		

# US Commercial: CMBS Bonds / IO's (\$109 million)

- ◆ The positions in this category include CMBS bonds / IO's either bought in the secondary market for trading purposes or retained from our own securitizations.
- ◆ Write-downs were triggered by spread widening and lack of liquidity.

## Fixed Rate Investment Grade Bonds: \$(18)million

- ◆ Most of the write-down is on 2006/2007 originated bonds
- ◆ Exposure primarily on mezz positions
- ◆ AAA exposure hedged with CMBS indices

Spread Movements		
Rating	From	To
A+	420	525
A	445 - 495	525 - 575
A-	480 - 530	600 - 650
BBB+	685 - 785	800
BBB	785 - 885	875 - 950
BBB-	885 - 995	1000 - 1075

## Floating Rate Bonds: \$(50)million

- ◆ 95% of the write down on retained bonds from our last floating rate deal (LBFRC - 2007)
- ◆ Pricing to full extension
- ◆ No deals in the market for over a month
- ◆ Not a lot of secondary trades in the market

Spread Movements		
Rating	From	To
AAA (Class A1)	90	150
AAA (Class A2)	100	225
AAA (Class A3)	110	300

## IO's: \$(41)million

- ◆ Trades even less frequent than floating rate bonds
- ◆ New trades do not publish IO prices
- ◆ Data point is, thus, when we do our own deals (No Lehman deals in 2008 FY yet)

Spread Movements		
Rating	From	To
AAA	100 - 500	350 - 700

## US Commercial: Bridge Equity (\$72 million)

- ◆ Lehman typically provides the entire capital stack when we provide bridge equity
- ◆ Business plan is usually to syndicate bridge equity within 6 to 12 months. In a typical deal where LB provides bridge equity financing, we get full price flex on the debt (i.e, irrespective of where we sell the debt positions, Lehman will make a fixed profit).
- ◆ Widening of credit spreads eats into the equity yield, making syndication at par difficult.
- ◆ Marks taken represent required adjustments to exit bridge equity positions at the reduced yields. It's our policy to apply bridge equity fees (usually 4%) to basis.
- ◆ Most of the write-down is on 237 Park Ave bridge equity, in which LB is in talks with the sponsor (Broadway Partners) for a partial redemption and to convert a portion of our bridge mezzanine and equity investments into a Broadway Fund III investment diversifying our exposure.

Asset Name	Legal Bal. (12/31/07)	Mark	Mkt Value (12/31/07)	Mark Adj. Jan-08	Mkt Value (1/31/08)	Collateral Description
237 Park Avenue LB Syndication Part	58	96.0	56	(50)	6	237 Park Avenue is a 1.2 million square-foot Class A high-rise building located in Manhattan.
Austin Portfolio LB Syndication Partne	148	94.6	140	(7)	133	The portfolio includes five of Austin, Texas's premier CBD office buildings consisting of 2.5 million square feet, and five Class A/B suburban assets totaling 1 million square feet.
Rosslyn LB Syndication Partner LLC	310	94.0	291	(5)	286	Six buildings located in Rosslyn, VA and one located in Merrifield, VA consisting of 2.5 million square feet of office space.
PLF LB Syndication Partner LLC	574	87.3	501	(5)	496	Portfolio includes 114 properties, comprising approximately 25 million square feet of modern, high-quality industrial properties in several key distribution markets.
LB Atlanta Area Portfolio Partner LP	71	97.0	69	(3)	66	5 class A and B office developments in the metro Atlanta area. The portfolio contains 21 office buildings and five development sites.
Orlando Centre LB Syndication Partne	25	96.0	24	(2) (72)	22	One Orlando Center is a premier 19-story Class A office tower prominently located in Orlando, FL. It contains 355,000 square feet

# US Commercial: Floating Rate B-Notes / Mezz (\$40 million)

- ◆ Original exit plan was through syndication to institutional investors
- ◆ Syndication market is suffering from lack of liquidity
- ◆ Valuation based on estimated market spreads discounted to full extension

Asset Name	Lien Type	LTV	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
Calwest Portfolio	Mezz	70%	131	95.6	126	(8)	117	25% participation in a \$2.45bn acquisition loan on a portfolio of 97 industrial properties known as CalWest Portfolio. \$275mm of senior loan was securitized in LB-FRC 2007-LLF C5 and \$206mm was syndicated.
John Hancock Center	B-Note	90%	187	93.4	174	(6)	168	Financing to a partnership between Whitehall and Golub & Company secured by the John Hancock Center, a 100 story, 1.13bn square foot of office space in Chicago, IL. \$182mm of senior debt was securitized in LB-FRC 2007-LLF C5.
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Wyndham Portfolio	Mezz	63%	122	100.1	122	(2)	120	\$285mm financing to W2005 WYN Hotels and Highgate for refinancing. The collateral is secured by a portfolio of 13 hotel properties located in nine states across the U.S and comprise 3,468 rooms. \$150mm of senior debt was securitized in LB-FRC 2007-LLF C5.
EOP Austin	Mezz	65%	46	97.7	45	(2)	43	Financing to Thomas Properties Group's \$1.12bn acquisition and management of a 3.5 million square foot office portfolio in Austin, TX. The current writedown is on two out of six properties.
301 Howard	Mezz	84%	80	94.5	76	(2)	74	Mezz position of a \$120mm financing on a 23 story multi-tenant Class A office building in San Francisco, CA. \$40mm of senior securitized in LB-FRC 2007-LLF C5.
Normandy Office Portfolio	Mezz	74%	43	96.1	41	(2)	39	Mezz position of a \$176mm financing on 12 office buildings located across northern NJ and Boston. \$110mm of senior debt was securitized in LB-FRC 2007-LLF C5 and \$23mm of mezz was syndicated.
Various Other	Various		252	96.1	242	(3)	239	
						(40)		

# US Commercial: Fixed Rate B – Notes / Mezz (\$18 million)

- ◆ Original exit plan was through syndication to institutional investors
- ◆ Syndication market is suffering from lack of liquidity
- ◆ Valuation based on estimated market spreads discounted to maturity dates

Asset Name	Lien Type	LTV	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
GM Building	Mezz	61%	147	98.3	145	(12)	132	A 25% participation in a \$1.9bn commercial mortgage loan originated by Deutsche Bank to refinance the GM Building.
125 High Street	Mezz	70%	55	99.2	55	(2)	52	Junior mezz position of a \$529mm financing on a 1.48mm square feet office building in Boston, MA. \$340mm of senior debt was securitized in LB-UBS 2006-C6 and \$134mm of mezz was syndicated.
McCandless Tower	Mezz	73%	51	95.8	49	(2)	47	Mezz position of a \$168mm financing on a 418k square feet office building in Santa Clara, CA. \$116mm of senior debt was securitized in LB-UBS 2007-C6.
Courvosier Center	Mezz	74%	58	90.1	53	(1)	52	Mezz position of a \$112mm financing on a 335k square feet office property located in Miami, Florida. \$54mm of senior debt was securitized in LB-CMT 2007-C3.
One Federal	Mezz	70%	28	102.2	28	(1)	27	Mezz position of a \$375mm financing on a 1.12 million square feet office building in Boston, MA. \$262mm of senior debt was securitized in LB-UBS 2006-C4 and \$84mm of mezz was syndicated.
							(18)	

# US Commercial: Floating Rate Whole Loans (\$13 million)

- ◆ Exit through securitization / syndication
- ◆ Securitization market almost dead
- ◆ Buyers of floating rate paper were European investors who stopped buying after the sub-prime melt down
- ◆ Valuation based on estimated market spreads discounted to full extension

Asset Name	Lien Type	LTV	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
Hilton	Senior/Mezz	70%	1,387	98.2	1,362	(11)	1,351	7.5% participation in Blackstone's \$21bn acquisition of Hilton Hotels Corporation.
Innkeepers	Senior/Mezz	75%	385	67.3	371	(3)	368	Acquisition financing of \$1.2bn to Apollo Investment Corp for Innkeepers USA Trust, a public hotel REIT. The portfolio consists of 69 hotels, primarily extended stay and limited service. All of the fixed rate debt of \$825mm was securitized in LB-UBS 2007-C6 and C7.
Ritz Kapalua	Senior	62%	62	91.7	57	(3)	54	Financing to Gengate, Whitehall Street and Maui Land & Pineapple Co. for the refinancing and redevelopment of Ritz-Carlton Kapalua, Maui, Hawaii.
Toy Building	Senior	76%	283	98.2	278	5	283	Financing L&L Acquisitions for acquisition and redevelopment of 200 Fifth Avenue, the Toy Building, a New York office tower prominently located in the Flat Iron District submarket in Midtown Manhattan. Business plan is to redevelop the asset and lease the space as Class A office.
Various	Various		765	97.2	744	(1)	742	
						(13)		

# US PTG (\$111 million)

- ◆ Investments over the couple of years have primarily been related to land or condominium development / conversion.
- ◆ Valuation based on IRR models provided by a third party servicers (Trimont/ PCCP)
- ◆ Cash flow projections factor the softness of the residential market thereby extending absorption period and reducing sales prices

Asset Name	Lien Type	Legal Bal. (12/31/07)	Mark	Mkt Value (12/31/07)	Mark Adj. Jan-08	Mkt Value (1/31/08)	Collateral Description
PCCP LB Mountain House LLC	Equity	82	81.7	67	(15)	52	490 acres of land located primarily within the Mountain House Master Plan located in Mountain House, CA
Skyline at MacArthur	Mezz	29	79.8	23	(14)	9	3.0 acres of land in Santa Ana, CA, fully entitled for two 25-story condo towers containing 349 luxury condo units.
Orlando Assets Acquisition	REO	197	82.9	163	(14)	149	Foreclosed loan; Two failed condo conversion projects in Orlando, FL.
Colonial Grand at Bayshore	First	50	98.2	49	(12)	37	The Project consists of the conversion of an existing 376-unit Class B+ apartment complex built in Bradenton, Florida.
PCCP LB Mariposa Lakes LLC	Equity	24	99.5	24	(10)	14	Part of the Mariposa Lakes planning area which consists of 3,810 acres of unentitled land in the City of Stockton, California. The Company controls roughly 1,860 acres of the 3,810 acres under land option.
LB South Beach LLC	Equity	115	64.9	74	(8)	66	An upscale Hotel-Condo development in Miami Beach, Florida; Consists of 173 condominium units and an adjacent 86 room hotel.
PCCP LB ASU Towers	Equity	8	100.0	8	(8)	-	A 1.62 acre parcel adjacent to the ASU campus in downtown Tempe, Arizona; Currently entitled for a 20 story condo tower and an 18 story hotel.
Greenwich Portfolio	REO	247	81.7	202	(7)	196	The separate multifamily properties containing a total of 462 units located in Greenwich, CT.
Whiteface Lodge	First	36	92.5	33	(6)	27	An 86-unit five-star luxury resort and private residence club offering 1/12 fractional ownership located in Lake Placid, New York.
PCCP LB Nuevo Lakes LLC	Equity	5	100.0	5	(5)	0	80 acres of unentitled land in an unincorporated area of Riverside County, CA (known as Nuevo)
Middle Mountain	First	36	96.5	35	(5)	30	196 acres of raw land located 20 miles north of Phoenix CBD.
PCCP LB Central Valley Land	Equity	10	100.0	10	(5)	5	409 mapped lots on 5 different land parcels in Parlier, Sanger, and Selma, CA.
Spring Mountain Ranch Mezzanine	Mezz	47	0.0	0	47	47	The project is 785 acres of vacant land in the County of Riverside, California.
Various (<\$5mn in write-downs)	Various	63	82.1	52	(50)	23	
(111)							

2/11  
San/Ex.

Lehman Brothers

Writedowns – 1Q 2008

LEHMAN BROTHERS

# Writedown Summary for 1Q'2008 – (As of 1.31.08)

	Key Revenue Drivers			Q4 Gross	Q4 Net	2007 FY Gross	2007 FY Net
	Writedowns	Hedges	Q108 Net				
<b>Residential Mortgages</b>	<b>(747)</b>	<b>546</b>	<b>(201)</b>	<b>(2,182)</b>	<b>(891)</b>	<b>(4,656)</b>	<b>(1,304)</b>
US Prime	(382)	63	(319)	(807)	(405)	(1,758)	(682)
US Non-Prime	(300)	200	(100)	(849)	(506)	(2,137)	(1,383)
US ABS Secondary		270	270		222	0	687
CDO Secondary	(19)	13	(6)	(313)	89	(397)	538
Macro Hedge					(78)		(99)
Europe SP	(46)	0	(46)	(86)	(103)	(191)	(207)
Other				(127)	(110)	(173)	(156)
<b>CDO's</b>	<b>(174)</b>	<b>125</b>	<b>(49)</b>	<b>(540)</b>	<b>(51)</b>	<b>(647)</b>	<b>(158)</b>
<b>Real Estate</b>	<b>(670)</b>	<b>0</b>	<b>(670)</b>	<b>(694)</b>	<b>(543)</b>	<b>(1,192)</b>	<b>(907)</b>
US CMBS	(400)		(400)	(450)	(299)	(650)	(424)
EU CMBS	(160)		(160)	(77)	(77)	(122)	(122)
AS CMBS	0	0	0	(5)	(5)	(10)	(10)
US PTG	(110)		(110)	(162)	(162)	(410)	(352)
<b>Auction Rate Securities</b>	<b>(98)</b>		<b>(98)</b>	<b>(18)</b>	<b>(18)</b>	<b>(18)</b>	<b>(18)</b>
<b>CAF Portfolio</b>	<b>(296)</b>	<b>104</b>	<b>(192)</b>	<b>334</b>	<b>322</b>	<b>(966)</b>	<b>(441)</b>
<b>Munis</b>			<b>0</b>	<b>(91)</b>	<b>31</b>	<b>(243)</b>	<b>(29)</b>
<b>Sub Total</b>	<b>(1,985)</b>	<b>671</b>	<b>(1,210)</b>	<b>(3,191)</b>	<b>(1,150)</b>	<b>(7,722)</b>	<b>(2,857)</b>
Credit Spread related to P&L on LEH debt	275		275	320	320	917	917
<b>Significant Revenue Impacts</b>	<b>(1,710)</b>	<b>671</b>	<b>(935)</b>	<b>(2,871)</b>	<b>(830)</b>	<b>(6,805)</b>	<b>(1,940)</b>

# Select Market Data

ABX Spreads (Bps)				
	01/31/08	12/31/07	11/30/07	Δ in Spread 11/30- 1/31
AAA 06-1	141	179	153	(12)
AA 06-1	648	601	560	88
A 06-1	1,825	1,717	1,674	150
BBB 06-1	3,417	3,207	3,237	179
BBB- 06-1	3,934	3,585	3,559	375
AAA 06-2	246	237	236	10
AA 06-2	1,198	1,179	1,189	10
A 06-2	2,187	1,941	1,916	271
BBB 06-2	2,830	2,734	2,722	108
BBB- 06-2	3,096	2,951	2,953	143
AAA 07-1	389	367	345	44
AA 07-1	1,592	1,480	1,455	137
A 07-1	2,247	2,072	2,007	240
BBB 07-1	2,635	2,471	2,463	172
BBB- 07-1	2,871	2,724	2,712	158
AAA 07-2	470	416	454	16
AA 07-2	1,507	1,377	1,502	5
A 07-2	1,966	1,897	1,884	82
BBB 07-2	2,359	2,246	2,314	44
BBB- 07-2	2,413	2,313	2,347	66

CMBX Spreads (Bps)				
	01/31/08	12/31/07	11/30/07	Δ in Spread 11/30- 1/31
CMBX-NA-AAA 4	133	65	77	56
CMBX-NA-AJ 4	333	168	204	129
CMBX-NA-AA 4	413	269	304	109
CMBX-NA-A 4	680	432	432	248
CMBX-NA-BBB 4	1,245	842	928	317
CMBX-NA-BBB- 4	1,455	1,052	1,112	343
CMBX-NA-BB 4	1,793	1,400	1,492	301
CMBX-NA-AAA 3	123	61	69	54
CMBX-NA-AJ 3	304	N/A	N/A	NA
CMBX-NA-AA 3	391	256	289	102
CMBX-NA-A 3	626	427	372	254
CMBX-NA-BBB 3	1,133	735	746	388
CMBX-NA-BBB- 3	1,346	938	976	370
CMBX-NA-BB 3	1,679	1,286	1,384	295
CMBX-NA-AAA 2	106	51	69	36
CMBX-NA-AJ 2	262	N/A	N/A	NA
CMBX-NA-AA 2	292	169	175	116
CMBX-NA-A 2	453	307	289	164
CMBX-NA-BBB 2	807	522	569	238
CMBX-NA-BBB- 2	1,063	719	809	254
CMBX-NA-BB 2	1,559	1,143	1,236	323
CMBX-NA-AAA 1	95	50	65	30
CMBX-NA-AJ 1	190	N/A	N/A	NA
CMBX-NA-AA 1	256	123	161	94
CMBX-NA-A 1	322	166	198	124
CMBX-NA-BBB 1	559	350	389	171
CMBX-NA-BBB- 1	727	489	591	136

**US Real Estate**

## US Real Estate - Executive Summary

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- ◆ The capital markets meltdown continued into the first quarter. CMBS spreads have widened to all-time highs and investors have been staying on the sidelines.
- ◆ CMBS delinquencies are still at historic lows, but real estate is usually a lagging indicator
- ◆ Many of our bank loans and PTG positions are directly related to the residential housing sector, which is extremely troubled.
- ◆ In general, the collateral performance of our whole loan positions has not been an issue, but the spread widening at all the debt tranches have led to lower values.
- ◆ The inability to hedge our floating rate book and the mezz classes of our fixed rate loans has continued to result in losses.
- ◆ The mark downs effected in January are the best estimates by the business and product control at this time.

## US Real Estate - Executive Summary (Continued)

- ◆ As part of its ongoing marking methodology, the Global Real Estate Group (GREG) performed a valuation review of their entire portfolio. The review took into consideration the continuing widening of credit spreads, continued sluggishness in the residential market, and lack of liquidity in the market place.
- ◆ The Real Estate Product Control group has reviewed the mark adjustments and agrees with these adjustments
- ◆ The review resulted in a total markdown of \$505m.

	Legal Balance (12/31/07)	Mark	Market Value (12/31/07)	Mark Downs (\$ millions)	Comments
US Commercial					
Fixed Rate Securitized	941	99.1	933	-	Hedged for credit and interest rate movements
Suncal Term Loans	2,093	89.7	1,878	(144)	\$130mn markdowns were taken in 3Q/4Q 2007 (See page 3)
Term Loans / LOCs (excluding Suncal)	3,215	98.4	3,164	-	Mainly Archstone term loan, which has a full price flex
CMBS:					
Bonds	2,803	91.1	2,554	(68)	See page 8
IO's	32,101	1.5	485	(41)	See page 9
Bridge Equity	3,848	91.2	3,510	(72)	See page 10
Floating Rate B-Notes / Mezz	4,235	96.8	4,101	(40)	See page 11
Fixed Rate B-Notes / Mezz	2,172	97.4	2,117	(18)	See page 11
Floating Rate Whole Loans	5,308	97.8	5,190	(13)	See page 12
<i>Total US Commercial</i>	<i>56,716</i>	<i>n/m</i>	<i>23,930</i>	<i>(395)</i>	
US PTG	11,815	80.2	9,470	(110)	See page 13
<b>Total Americas</b>	<b>68,532</b>	<b>n/m</b>	<b>33,400</b>	<b>(505)</b>	

## US Commercial: Suncal (\$144 million)

- ◆ The positions in this category include mainly term loans for residential land developments primarily located in southern CA. Original business strategy was to develop land and sell to home builders.
- ◆ As a result of the general slow down in the residential market, execution of original business plan is not going ahead as planned. Most loans have either defaulted and/or are in the process of foreclosure.
- ◆ Current business strategy is to foreclose and hold the assets until market recovers or other exit strategy is figured out.
- ◆ Valuation review took into consideration the extended absorption rate as a result of the softness of the market and decline in market prices.
- ◆ Valuation methodology was based on a DCF to a target unlevered IRR of 15%. Cash flow projections were provided by a third party vendor.

Asset Name	Lien Type	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
Suncal Master LBREP	Second/ Third/ Revolver	130	84.4	110	(45)	65	A master planned community on a 5,406 acres of undeveloped farmland and ranchland in Southern California. These include Mcallister Ranch, McSweeny, Summerwind Ranch and Borchard Patterson. 98% of the portfolio is entitled.
Ritter Ranch	Senior/ Mezz/ Revolver	311	84.4	262	(39)	224	A 7,158-lot master planned community on a 6,675 acres of entitled land in Palmdale, CA, with a wide variety of housing products, including residential areas and commercial development areas.
Delta Shores	Equity	42	96.4	41	(34)	7	423 acres of unentitled land in Sacramento, CA planned for retail and residential development.
Oak Valley Champions	Senior/ Revolver	121	84.4	103	(22)	81	A 3,300-lot master planned community on approximately 982 acres located within the northern area of the City of Beaumont, Riverside County, CA. The development is primarily residential and will also include two commercial/retail sites and recreational fac
Marblehead / Heartland	Senior	294	94.9	279	(11)	269	A 1,290-lot master planned community on a 668 acres of entitled land in San Clemente (Orange County) and Beaumont (Riverside), CA. The development is primarily residential and will also include one commercial/retail site, and several parks.
Terra Lago	Equity	12	100.0	12	(7)	5	A 1,473-lot on a 350 acres of entitled land in Indio, CA planned for retail and residential development.
Pacific Point	Senior/ Revolver	141	72.9	102	8	110	A 387-lot master planned community on a 256 ares of entitled land located directly east of the San Diego (Orange County), CA. Planned housing products range from condos and townhomes to large estate lots as well as recreational centers.
Various	Various				5		
					(144)		

# US Commercial: CMBS Bonds / IO's (\$109 million)

- ◆ The positions in this category include CMBS bonds / IO's either bought in the secondary market for trading purposes or retained from our own securitizations.
- ◆ Write-downs were triggered by spread widening and lack of liquidity.

## Fixed Rate Investment Grade Bonds: \$(18)million

- ◆ Most of the write-down is on 2006/2007 originated bonds
- ◆ Exposure primarily on mezz positions
- ◆ AAA exposure hedged with CMBS indices
- ◆ Total Assets - \$1.367B

Rating	Spread Movements	
	From	To
A+	420	525
A	445 - 495	525 - 575
A-	480 - 530	600 - 650
BBB+	685 - 785	800
BBB	785 - 885	875 - 950
BBB-	885 - 995	1000 - 1075

*5/2006-07  
for  
a few  
trades.*

## Floating Rate Bonds: \$(50)million

- ◆ 95% of the write down on retained bonds from our last floating rate deal (LBFRC - 2007)
- ◆ Pricing to full extension
- ◆ No deals in the market for over a month
- ◆ Not a lot of secondary trades in the market
- ◆ Total Assets - \$1.187B

Rating	Spread Movements	
	From	To
AAA (Class A1)	90	150
AAA (Class A2)	100	225
AAA (Class A3)	110	300

## IO's: \$(41)million

- ◆ Trades even less frequent than floating rate bonds
- ◆ New trades do not publish IO prices
- ◆ Data point is, thus, when we do our own deals (No Lehman deals in 2008 FY yet)

Rating	Spread Movements	
	From	To
AAA	100 - 500	350 - 700

## US Commercial: Bridge Equity (\$72 million)

- ◆ Lehman typically provides the entire capital stack when we provide bridge equity
- ◆ Business plan is usually to syndicate bridge equity within 6 to 12 months. In a typical deal where LB provides bridge equity financing, we get full price flex on the debt (i.e, irrespective of where we sell the debt positions, Lehman will make a fixed profit).
- ◆ Widening of credit spreads eats into the equity yield, making syndication at par difficult.
- ◆ Marks taken represent required adjustments to exit bridge equity positions at the reduced yields. It's our policy to apply bridge equity fees (usually 4%) to basis.
- ◆ Most of the write-down is on 237 Park Ave bridge equity, in which LB is in talks with the sponsor (Broadway Partners) for a partial redemption and to convert a portion of our bridge mezzanine and equity investments into a Broadway Fund III investment diversifying our exposure.

Asset Name	Legal Bal. (12/31/07)	Mark	Mkt Value (12/31/07)	Mark Adj. Jan-08	Mkt Value (1/31/08)	Collateral Description
237 Park Avenue	58.2	96.0	55.85	(50.0)	5.8	237 Park Avenue is a 1.2 million square-foot Class A high-rise building located in Manhattan.
EOP Austin Portfolio	147.5	94.6	139.6	(7.0)	132.6	The portfolio includes five of Austin, Texas's premier CBD office buildings consisting of 2.5 million square feet, and five Class A/B suburban assets totaling 1 million square feet.
Rosslyn	310.0	94.0	291.4	(5.0)	286.4	Six buildings located in Rosslyn, VA and one located in Merrifield, VA consisting of 2.5 million square feet of office space.
Prologis	574.4	87.3	501.4	(5.0)	496.4	Portfolio includes 114 properties, comprising approximately 25 million square feet of modern, high-quality industrial properties in several key distribution markets.
CarrAmerica	70.6	97.0	68.5	(3.0)	65.5	5 class A and B office developments in the metro Atlanta area. The portfolio contains 21 office buildings and five development sites.
Orlando Centre	24.9	96.0	23.9	(1.5)	22.4	One Orlando Center is a premier 19-story Class A office tower prominently located in Orlando, FL. It contains 355,000 square feet
	1,185.6	91.1	1,080.6	(71.5)	1,009.1	

# US Commercial: Floating Rate B-Notes / Mezz (\$40 million)

- ◆ Original exit plan was through syndication to institutional investors
- ◆ Syndication market is suffering from lack of liquidity
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Various Other	Various		252	96.1	242	(3)	239	
						(40)		

# US Commercial: Fixed Rate B – Notes / Mezz (\$18 million)

- ◆ Original exit plan was through syndication to institutional investors
- ◆ Syndication market is suffering from lack of liquidity
- ◆ Valuation based on estimated market spreads discounted to maturity dates

Asset Name	Lien Type	LTV	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
GM Building	Mezz	61%	147	98.3	145	(12)	132	A 25% participation in a \$1.9bn commercial mortgage loan originated by Deutsche Bank to refinance the GM Building.
125 High Street	Mezz	70%	55	99.2	55	(2)	52	Junior mezz position of a \$529mm financing on a 1.48mm square feet office building in Boston, MA. \$340mm of senior debt was securitized in LB-UBS 2006-C6 and \$134mm of mezz was syndicated.
McCandless Tower	Mezz	73%	51	95.8	49	(2)	47	Mezz position of a \$168mm financing on a 418k square feet office building in Santa Clara, CA. \$116mm of senior debt was securitized in LB-UBS 2007-C6.
Courvosier Center	Mezz	74%	58	90.1	53	(1)	52	Mezz position of a \$112mm financing on a 335k square feet office property located in Miami, Florida. \$54mm of senior debt was securitized in LB-CMT 2007-C3.
One Federal	Mezz	70%	28	102.2	28	(1)	27	Mezz position of a \$375mm financing on a 1.12 million square feet office building in Boston, MA. \$262mm of senior debt was securitized in LB-UBS 2006-C4 and \$84mm of mezz was syndicated.
						(18)		

# US Commercial: Floating Rate Whole Loans (\$13 million)

- ◆ Exit through securitization / syndication
- ◆ Securitization market almost dead
- ◆ Buyers of floating rate paper were European investors who stopped buying after the sub-prime melt down
- ◆ Valuation based on estimated market spreads discounted to full extension

Asset Name	Lien Type	LTV	Legal Bal. 12/31/07	Mark	Mkt Value 12/31/07	Mark Adj. 1/31/08	Mkt Value 1/31/08	Collateral Description
Hilton	Senior/Mezz	70%	1,387	98.2	1,362	(11)	1,351	7.5% participation in Blackstone's \$21bn acquisition of Hilton Hotels Corporation.
Innkeepers	Senior/Mezz	75%	385	67.3	371	(3)	368	Acquisition financing of \$1.2bn to Apollo Investment Corp for Innkeepers USA Trust, a public hotel REIT. The portfolio consists of 69 hotels, primarily extended stay and limited service. All of the fixed rate debt of \$825mm was securitized in LB-UBS 2007-C6 and C7.
Ritz Kapalua	Senior	62%	62	91.7	57	(3)	54	Financing to Gengate, Whitehall Street and Maui Land & Pineapple Co. for the refinancing and redevelopment of Ritz-Carlton Kapalua, Maui, Hawaii.
Toy Building	Senior	76%	283	98.2	278	5	283	Financing L&L Acquisitions for acquisition and redevelopment of 200 Fifth Avenue, the Toy Building, a New York office tower prominently located in the Flat Iron District submarket in Midtown Manhattan. Business plan is to redevelop the asset and lease the space as Class A office.
Various	Various		765	97.2	744	(1)	742	
						(13)		

## US PTG (\$110 million)

- ◆ Investments over the couple of years have primarily been related to land or condominium development / conversion.
- ◆ Valuation based on IRR models provided by a third party servicers (Trimont/ PCCP)
- ◆ Cash flow projections factor the softness of the residential market thereby extending absorption period and reducing sales prices

Asset Name	Lien Type	Legal Bal. (12/31/07)	Mark	Mkt Value (12/31/07)	Mark Adj. Jan-08	Mkt Value (1/31/08)	Collateral Description
PCCP LB Mountain House LLC	Equity	82	81.7	67	(15)	52	490 acres of land located primarily within the Mountain House Master Plan located in Mountain House, CA
Skyline at MacArthur	Mezz	29	79.8	23	(14)	9	3.0 acres of land in Santa Ana, CA, fully entitled for two 25-story condo towers containing 349 luxury condo units.
Orlando Assets Acquisition	REO	197	82.9	163	(14)	149	Foreclosed loan; Two failed condo conversion projects in Orlando, FL.
Colonial Grand at Bayshore	First	50	98.2	49	(12)	37	The Project consists of the conversion of an existing 376-unit Class B+ apartment complex built in Bradenton, Florida.
PCCP LB Mariposa Lakes LLC	Equity	24	99.5	24	(10)	14	Part of the Mariposa Lakes planning area which consists of 3,810 acres of unentitled land in the City of Stockton, California. The Company controls roughly 1,860 acres of the 3,810 acres under land option.
LB South Beach LLC	Equity	115	64.9	74	(8)	66	An upscale Hotel-Condo development in Miami Beach, Florida; Consists of 173 condominium units and an adjacent 86 room hotel.
PCCP LB ASU Towers	Equity	8	100.0	8	(8)	-	A 1.62 acre parcel adjacent to the ASU campus in downtown Tempe, Arizona; Currently entitled for a 20 story condo tower and an 18 story hotel.
Whiteface Lodge	First	36	92.5	33	(6)	27	An 86-unit five-star luxury resort and private residence club offering 1/12 fractional ownership located in Lake Placid, New York.
PCCP LB Nuevo Lakes LLC	Equity	5	100.0	5	(5)	0	80 acres of unentitled land in an unincorporated area of Riverside County, CA (known as Nuevo)
Middle Mountain	First	36	96.5	35	(5)	30	196 acres of raw land located 20 miles north of Phoenix CBD.
PCCP LB Central Valley Land	Equity	10	100.0	10	(5)	5	409 mapped lots on 5 different land parcels in Parlier, Sanger, and Selma, CA.
Spring Mountain Ranch Mezzanine	Mezz	47	0.0	0	47	47	The project is 785 acres of vacant land in the County of Riverside, California.
Various (< \$5mn in write-downs)	Various	63	82.1	52	(45)	23	
						(100)	

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# US Securitized Products

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# US Securitized Products – Balance Sheet Detail

Securitized Products Business - Balance Sheet Detail, Dec 31 2007

(in millions)	US Prime	US 2nd Lien	US Sub-Prime	US Non-Prime	US S&D / RM	Other US ABS	Total US Non Agency	US Agency Residential	Total US Residential	Non Resi Mortg.	Total US
<b>Whole loans</b>	<b>4,604</b>	<b>1,090</b>	<b>2,031</b>	<b>3,121</b>	<b>1,962</b>	<b>0</b>	<b>9,686</b>		<b>9,686</b>	<b>2,002</b>	<b>11,688</b>
Whole Loans (incl. pending)	4,604	1,090	2,031	3,121	1,962		9,686		9,686	2,002	11,688
Pending Whole Loans	-	-	-	-	-	-	-	-	-	-	-
<b>Origination WL Inventory</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>76</b>	<b>76</b>
<b>Securities</b>	<b>6,036</b>	<b>110</b>	<b>1,012</b>	<b>1,122</b>	<b>102</b>	<b>4,426</b>	<b>11,687</b>		<b>11,687</b>	<b>747</b>	<b>12,434</b>
IG Retained Interests	4,890	79	953	1,032	92	2,395	8,409		8,409	668	9,077
FAS140 IG	(915)	(60)	(907)	(967)	(0)	(39)	(1,921)			(622)	(622)
Agented	(369)	-	(4)	(4)	-	(2,208)	(2,582)			-	-
Net IG Retained Interest	3,606	19	41	60	92	148	3,906			46	46
NIG Retained Interests	128	16	51	67	10	527	732		732	78	810
FAS140 NIG	(8)	(5)	(1)	(6)	(14)	-	(28)			(8)	(8)
Agented	(7)	(1)	(0)	(1)	-	(477)	(484)			(0)	(0)
Net NIG Retained Interest	113	10	50	60	(4)	50	219			69	69
Other Securities (Agented)	1,018	15	9	23	0	1,504	2,546		2,546	1	2,547
IG	961	13	7	20	-	1,120	2,101		2,101	0	2,101
NIG	57	2	2	4	0	384	445		445	1	446
<b>Residuals</b>	<b>899</b>	<b>0</b>	<b>19</b>	<b>19</b>	<b>39</b>	<b>0</b>	<b>957</b>		<b>957</b>	<b>74</b>	<b>989</b>
FAS140 Resid	(103)	(0)	(17)	(17)	(13)	-	(134)		(134)	(37)	(171)
Agented	(24)	-	(0)	(0)	-	-	(24)			(0)	(24)
Net Retained Interest	771	0	1	1	26	-	799		799	37	836
Traded Residuals (Agented)	56	0	7	7	-	-	63		63	-	63
<b>Gross-Up</b>	<b>4,861</b>	<b>1,135</b>	<b>729</b>	<b>1,864</b>	<b>1,888</b>	<b>-</b>	<b>8,613</b>		<b>8,613</b>	<b>548</b>	<b>9,162</b>
FAS140 Derivatives	4,861	1,135	429	1,564	1,888	-	8,313		8,313	548	8,861
FAS140 Repurchase Option	-	-	301	301	-	-	301		301	-	301
<b>Servicing Rights</b>	<b>1,035</b>	<b>3</b>	<b>22</b>	<b>25</b>	<b>7</b>	<b>-</b>	<b>1,067</b>		<b>1,067</b>	<b>35</b>	<b>1,102</b>
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>801</b>	<b>801</b>		<b>801</b>	<b>-</b>	<b>801</b>
<b>Total Mortgage Inventory (GAAP)</b>	<b>17,491</b>	<b>2,338</b>	<b>3,820</b>	<b>6,158</b>	<b>3,998</b>	<b>5,227</b>	<b>32,874</b>		<b>32,874</b>	<b>3,483</b>	<b>36,357</b>
<b>Real Estate Owned</b>	<b>202</b>	<b>0</b>	<b>62</b>	<b>62</b>	<b>218</b>	<b>-</b>	<b>482</b>		<b>482</b>	<b>-</b>	<b>482</b>
<b>Total Real Estate Owned (REO)</b>	<b>202</b>	<b>0</b>	<b>62</b>	<b>62</b>	<b>218</b>	<b>-</b>	<b>482</b>		<b>482</b>	<b>-</b>	<b>482</b>
<b>Total Govt &amp; Agencies Inventory (GAA)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,733</b>	<b>7,733</b>	<b>-</b>	<b>7,733</b>
<b>Total Corporate Debt and Other (GAAP)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267</b>	<b>267</b>		<b>267</b>	<b>-</b>	<b>267</b>
<b>Total Corporate Equities (GAAP)</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>26</b>	<b>50</b>		<b>50</b>	<b>-</b>	<b>50</b>
<b>Other GAAP Line Items</b>	<b>455</b>	<b>-</b>	<b>1,261</b>	<b>1,261</b>	<b>-</b>	<b>2,955</b>	<b>4,671</b>	<b>404</b>	<b>5,075</b>	<b>247</b>	<b>5,322</b>
<b>Total Securitized Products</b>	<b>18,147</b>	<b>2,338</b>	<b>5,167</b>	<b>7,504</b>	<b>4,217</b>	<b>8,476</b>	<b>38,344</b>	<b>8,137</b>	<b>46,482</b>	<b>3,730</b>	<b>50,211</b>

## US Securitized Products – Writedown Summary

- ◆ Gross writedowns for Prime totaled (\$382m), primarily driven by Whole Loans. Write downs offset by \$32.6m in hedge gains.
- ◆ Non-Prime writedowns totalled (\$291m), offset by \$191M gain in hedges.

Trade Date 1-28	N-Prime	Prime
Gross write down	(291,000)	(381,511)
Hedge gain	191,000	32,634
	(100,000)	(348,877)

### Non-Prime Writedowns

Description	\$ Millions
1st Lien WL	45
2nd Lien WL	53
SASCO BC4	52
BNCMT 2007-4	52
	202
<u>Securities</u>	
1st Lien Subs	37
2nd Lien Subs	30
Residuals	22
	89
<u>Total MTM</u>	<u>291</u>

### Prime Mtg. Writedowns

Description	\$ Millior
Whole loans	113
Rep & Warr	50
Securities	48
Unallocated	171
<u>Total MTM</u>	<u>382</u>

Europe Real Estate

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# Europe CMBS

REAL ESTATE	Balance sheet overview		IPV results pre / post current reserves			Based on	Notes	Actual write downs taken Jan 08 (\$m)	Notes
	Dec incl Res	Reserves	Pre reserves	Post reserves	IPV technique	Spread 01			
Securitisable Loans	4,831.6	(35.6)	(125.8)	(90.2)	Mock Securitisation		(15)	Win XV	
Green + Gospel	3,147.9	-	-	-	Mock Securitisation		(55)	Gospel \$(43m) & Green \$(12m)	
Green + Gospel specific res		(58.1)	-	-					
<b>Total Securitisable Pool</b>	<b>7,979.5</b>	<b>(93.7)</b>	<b>(125.8)</b>	<b>(90.2)</b>			<b>(70.0)</b>		
Remaining New Issue Bonds	2,080.4	(7.0)	(4.1)	2.9	Bond mark versus Markt Proxy		(35)	Win XII \$(13m) & Win XIV \$(22m)	
Secondary Bonds	351.4	-	(1.2)	(1.2)	Bond mark versus Markt Proxy				
<b>Bond Pool</b>	<b>2,431.8</b>	<b>(7.0)</b>	<b>(5.2)</b>	<b>1.8</b>			<b>(35.0)</b>		
Non-Sec'able Loans - CMBS	1,859.1	(2.5)	(21.6)	(19.1)	Mark grossed up using same ratio to underlying assets as (\$90.2m) above		(45)	Coeur Defense bridge equity \$(35m), Beta, Calvino & Teodora \$(10m)	
B-Notes	215.3	(2.2)	(2.5)	(0.3)			(10)		
Non-Sec'able Loans - PT	974.1	8.5	(11.3)	(19.8)					
<b>Total Non-Securitisable Pool</b>	<b>3,048.5</b>	<b>3.7</b>	<b>(35.4)</b>	<b>(39.1)</b>			<b>(55.0)</b>		
IO	36.0	(11.8)	-	-	Monitored against servicer reports				
NPL	53.3	(5.4)	-	-	Last Reviewed 30th of November 2007				
<b>Balance Sheet at Risk (\$m)</b>	<b>13,549.1</b>	<b>(114.2)</b>	<b>(166.4)</b>	<b>(127.5)</b>		<b>(173)</b>		Total based on spread movements Nov 07 to 22 Jan 08	
Gross Ups	3,777.7	-	-	-	N/A				
<b>Balance Sheet (\$m)</b>	<b>17,326.7</b>	<b>(114.2)</b>	<b>(166.4)</b>	<b>(127.5)</b>	<b>Net implied overvaluation \$m</b>	<b>(173)</b>	<b>(160)</b>		

# CMBS Summary – Europe

## Stress analysis of CMBS marks

– Mock securitisation scenarios

EURO LOANS					SCENARIO A			SCENARIO B			SCENARIO C			SCENARIO D		
WIN XIV Nov 07					WIN XIV (Nov 07) Weight & Spreads			WIN XIV (Nov 07) Weight & Jan Mkt Spreads			AAA @ 65% & Jan Mkt Spreads			AAA @ 60% & Jan Mkt Spreads		
Tranche	Rating	Size	WAL	W. Avg Rate	%	Spreads	PV	%	Spreads	PV	%	Spreads	PV	%	Spreads	PV
Class A	AAA/Aaa/AAA	2,136.3	3.97	132.52	70.5%	70	24.6	70.5%	108	9.7	65.0%	108	8.9	60.0%	108	8.2
Class B	AA/Aa3/AA	248.0	5.19	132.52	8.2%	100	1.7	8.2%	180	(2.4)	8.2%	180	(2.4)	8.2%	180	(2.4)
Class C	A/NR/A	201.8	5.19	132.52	6.7%	160	(1.1)	6.7%	285	(6.5)	6.7%	285	(6.5)	6.7%	285	(6.5)
Class D	A/NR/BBB	85.3	5.19	132.52	2.8%	225	(1.6)	2.8%	420	(5.1)	2.8%	420	(5.1)	2.8%	420	(5.1)
Class E	BBB/NR/BBB	113.2	5.19	132.52	3.7%	250	(2.7)	3.7%	420	(6.7)	9.3%	420	(16.7)	14.3%	420	(25.6)
Class F	BBB/NR/BBB	55.1	5.19	132.52	1.8%	275	(5.6)	1.8%	420	(3.3)	1.8%	420	(3.3)	1.8%	420	(3.3)
Class X	NR/NR/AAA	0.1	0	132.52	0.0%	0	0.0	0.0%	0	0.0	0.0%	0	0.0	0.0%	0	0.0
B Note - EUR		189.0	5.19	132.52	6.2%	300	(6.5)	6.2%	420	(11.2)	6.2%	420	(11.2)	6.2%	420	(11.2)
<b>Total EUR</b>		<b>3,028.8</b>			<b>100.0%</b>		<b>12.6</b>	<b>100.0%</b>		<b>(25.4)</b>	<b>100.0%</b>		<b>(36.1)</b>	<b>100.0%</b>		<b>(45.8)</b>
Comparable expense reserve EUR							(14.4)			(14.4)			(14.4)			(14.4)
Arrangement Fees - EUR							13.3			13.3			13.3			13.3
Net P&L EUR							11.5			(26.5)			(37.2)			(46.8)
USD EQUIVALENT							16.9			(38.9)			(54.7)			(68.9)

GBP LOANS					WIN XI (Aug 07) Weight & Spreads			WIN XI (Aug 07) Weight & Jan Mkt Spreads			AAA @ 65% & Jan Mkt Spreads			AAA @ 60% & Jan Mkt Spreads		
Tranche	Rating	Size	WAL	W. Avg Rate	%	Spreads	PV	%	Spreads	PV	%	Spreads	PV	%	Spreads	PV
Class A	AAA/Aaa/AAA	1,282.8	5.07	104.92	71.9%	25	21.0	71.9%	129	(6.7)	65.0%	129	(5.7)	60.0%	129	(5.1)
Class B	AA/Aa3/AA	123.8	5.86	104.92	6.9%	34	1.9	6.9%	215	(2.9)	6.9%	215	(2.9)	6.9%	215	(2.9)
Class C	A/-/A	96.8	5.86	104.92	5.4%	60	0.9	5.4%	330	(4.7)	5.4%	330	(4.7)	5.4%	330	(4.7)
Class D	BBB/-/BBB	72.6	5.86	104.92	4.1%	120	(9.2)	4.1%	495	(6.1)	11.0%	495	(16.4)	16.0%	495	(25.9)
Class E	BB/-/BB	16.9	5.86	104.92	0.9%	300	(6.7)	0.9%	495	(1.1)	0.9%	495	(1.4)	0.9%	495	(1.4)
B Note - GBP	0	191.1	5.86	104.92	10.7%	300	(8.6)	10.7%	495	(16.0)	10.7%	495	(16.0)	10.7%	495	(16.0)
<b>Total GBP</b>		<b>1,784.0</b>			<b>100.0%</b>		<b>14.8</b>	<b>100.0%</b>		<b>(37.5)</b>	<b>100.0%</b>		<b>(47.2)</b>	<b>100.0%</b>		<b>(54.3)</b>
Comparable expense reserve GBP							(9.4)			(9.4)			(9.4)			(9.4)
Arrangement Fees - GBP							3.3			3.3			3.3			3.3
Net P&L GBP							8.7			(43.6)			(53.3)			(60.4)
USD EQUIVALENT							17.4			(86.9)			(106.3)			(129.3)

USD EQUIVALENT							34.4			(125.8)			(160.9)			(189.2)
Reserve (See Balance Sheet)							(35.6)			(55.6)			(35.6)			(35.6)
Over/(Under) Reserve Discounted at 40%							69.9			(90.2)			(125.3)			(153.6)
Over/(Under) Reserve Discounted @ 30%							78.2			(114.1)			(156.6)			(190.7)
Over/(Under) Reserve Discounted @ 50%							63.6			(72.8)			(102.5)			(126.5)

# Europe RMBS

SECURITISED PRODUCTS	Dec	Reserves	Raw IPV	Post reserve	IPV technique	Based on Spread 01	Notes	Actual write downs taken Jan 08 (\$m)	Notes
<i>Warehoused loans</i>	4,607		(23.5)		<i>Mock Securitisation</i>			(14)	UK \$(12m) , Dutch \$(2m)
<i>Retained bonds post securitisation</i>	3,453		(16.3)		<i>Bond mark versus Markit Proxy</i>			(32)	
<i>Secondary traded bonds</i>	1,311					(60)	\$60m from spread movements;		
<i>Residuals</i>	400				<i>Last reviewed 30 November 2007</i>				
<i>Other assets</i>	1,156								
<b>Sub Total</b>	<b>10,926.0</b>		<b>(39.8)</b>						
<b>Gross Ups</b>	<b>1,200</b>								
<b>Balance sheet (\$m)</b>	<b>12,108.0</b>		<b>(39.8)</b>	<b>(39.8)</b>	<b>Net implied overvaluation \$m</b>	<b>(60)</b>		<b>(46.0)</b>	

# RMBS Summary – Europe

## RMBS Balance Sheet

<b>Balance Sheet (\$m)</b>	<b>Nov-07</b>	<b>Dec-07</b>
<b>Warehousing</b>		
<i>UK (SPML, PML, LMC)</i>	2,421	2,588
<i>Europe</i>	1,878	2,019
<b>Retained bonds</b>		
<i>Investment grade</i>	3,465	3,435
<i>Non investment grade</i>	19	18
<b>Secondary traded bonds</b>		
<i>Investment grade</i>	1,017	1,168
<i>Non investment grade</i>	143	143
<b>Residuals</b>	401	400
<b>Other Assets (NPLs, Principal finance)</b>	1,264	1,156
<b>Total</b>	<b>10,608</b>	<b>10,926</b>
<b>Accounting Gross Up</b>	1,241	1,200
<b>Reserves</b>	(18)	(18)
<b>Grand total</b>	<b>11,830</b>	<b>12,108</b>

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# Auction Rate Securities

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# Auction Rate Securities Detail

Sum of Size				
Ledger2	Type	Credit	Total	
Municipals	Taxable SAVR	FGIC	342,125,000	
		FSA	48,000,000	
		MBIA	5,400,000	
		XLCA	675,000	
	Tax-Exempt SAVR	AMBAC	220,775,000	
		FGIC	44,775,000	
		FSA	47,575,000	
		MBIA	255,300,000	
		n/a	28,125,000	
		XLCA	22,175,000	
		Grand Total		1,014,925,000

Ledger (All)

Sum of Size			
Ledger2	Type	Credit	Total
High Grade	ABS	MBIA	4,050,000
		n/a	2,330,000
	CONT CAP	n/a	184,600,000
	Custodial Receipt	n/a	85,100,000
	DPC	n/a	112,700,000
	DRD	n/a	464,225,000
	REG XXX	AMBAC	209,520,000
		FGIC	114,600,000
		MBIA	283,700,000
		n/a	5,500,000
	TAXABLE 40 ACT	AMBAC	195,800,000
		n/a	467,250,000
	Taxable SAVR	AMBAC	27,500,000
		FGIC	13,825,000
		MBIA	186,500,000
		n/a	63,635,000
		XLCA	56,950,000
	TAX-Ex 40 ACT	n/a	53,325,000
	Tax-Exempt SAVR	AMBAC	482,696,000
		ASSURED GT	31,450,000
		FGIC	97,525,000
		FSA	34,840,000
		MBIA	506,080,000
n/a		26,375,000	
XLCA		264,925,000	
Grand Total			3,975,001,000

Status	Type	U/W2	Credit	Data			
				Position	Market Value	P&L	
FAILED	CONT CAP	LEH	n/a	162,400,000	94,882,758	(67,517,242)	
		Other	n/a	22,200,000	13,217,308	(8,982,692)	
	DPC	LEH	n/a	112,700,000	103,093,407	(9,606,593)	
	REG XXX	LEH	AMBAC		164,620,000	152,992,279	(11,627,721)
			AMBAC UK		44,900,000	40,973,369	(3,926,631)
			FGIC		114,600,000	106,505,377	(8,094,623)
			MBIA		283,700,000	263,661,217	(20,038,783)
		n/a		5,500,000	5,433,530	(66,470)	
	TAXABLE 40 ACT	LEH	AMBAC		37,500,000	36,750,000	(750,000)
	Taxable SAVR	LEH			78,100,000	78,100,000	-
		Other	n/a		55,785,000	55,785,000	-
	Tax-Exempt SAVR	LEH	AMBAC		60,800,000	60,800,000	-
	FAILED Total				1,142,805,000	1,012,194,245	(130,610,755)
SUCCESSFUL	ABS	LEH	MBIA	4,050,000	4,050,000	-	
			n/a	2,330,000	2,330,000	-	
	Custodial Receipt	LEH	n/a	85,100,000	85,100,000	-	
	DRD	LEH	n/a	464,225,000	464,225,000	-	
	TAXABLE 40 ACT	LEH	AMBAC		158,300,000	158,300,000	-
			n/a		422,550,000	422,550,000	-
			Other	n/a	44,700,000	44,700,000	-
	Taxable SAVR	LEH	AMBAC		27,500,000	27,500,000	-
			FGIC		13,825,000	13,825,000	-
			MBIA		108,400,000	108,400,000	-
			XLCA		56,950,000	56,950,000	-
			n/a		7,850,000	7,850,000	-
	TAX-Ex 40 ACT	LEH	n/a		53,325,000	53,325,000	-
Tax-Exempt SAVR	LEH	AMBAC		375,216,000	375,216,000	-	
		FGIC		97,525,000	97,525,000	-	
		FSA		34,840,000	34,840,000	-	
		MBIA		506,080,000	506,080,000	-	
		XLCA		235,800,000	235,800,000	-	
		n/a		26,375,000	26,375,000	-	
		Other	AMBAC		46,680,000	46,680,000	-
			ASSURED GT		31,450,000	31,450,000	-
	XLCA		29,125,000	29,125,000	-		
SUCCESSFUL Total				2,832,196,000	2,832,196,000	-	
Grand Total				3,975,001,000	3,844,390,245	(130,610,755)	

Total Auction Rate market size is \$ 328.19bln  
 Broken out into 3 main sectors: Taxable, Tax-Exempt and DRD eligible.  
 Taxable Market total is \$114.14 bln  
 Tax-Exempt Market total is \$204.854  
 DRD eligible market is \$9.198 bln

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# Contingent Acquisition Facilities

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LEHMAN BROTHERS

24

# CAF Writedown Detail

	YTDGross Trading PL	YTD TU Carry	YTD Gross Trading + Carry	Position	Implied Mark Change
<b>Loans</b>					
ACTS	(4,945,189)	458,015	(4,487,174)	106,318,419	-5%
ALLIANCE DATA	34,457,700	-	34,457,700	1,227,000,000	3%
ALLISON TRANSMISSION	(1,628,203)	308,892	(1,319,312)	82,500,000	-2%
ARINC	(15,315,335)	1,822,904	(13,492,430)	305,000,000	-5%
CBD INVESTOR	-	2,480,194	2,480,194	203,969,400	0%
CDW CORP	(63,492,562)	9,061,476	(54,431,087)	1,274,000,000	-5%
CENVEO	-	745,986	745,986	90,000,000	0%
CW MEDIA HOLDINGS	5,781,942	581,175	6,363,117	9,750,000	0%
FIRST DATA	(67,285,848)	8,309,062	(58,976,786)	1,152,127,596	-6%
HD SUPPLY	(6,919,790)	373,280	(6,546,510)	344,000,000	-2%
HMH PUBLISHING	(7,688,560)	13,675,440	5,986,880	1,629,150,000	0%
HYP MEDIA HOLDINGS	(17,355,349)	2,510,252	(14,845,097)	309,728,190	-6%
INTERGEN	18,599	329,982	348,581	70,798,730	0%
LKQ CORP	(89,965)	10,388	(79,577)	15,000,000	-1%
METAVANTE	(1,917,406)	20,347	(1,897,059)	170,918,143	-1%
NUANCE	(158,268)	85,316	(72,951)	16,069,001	-1%
PQ CORP	(14,335,460)	3,095,842	(11,239,619)	627,662,500	-2%
RJO HOLDINGS	(3,337,516)	314,927	(3,022,588)	46,626,319	-7%
SEQUA	(821,667)	2,589,627	1,767,960	297,000,000	0%
SYNIVERSE HOLDINGS	(859,717)	243,403	(616,313)	84,498,875	-1%
TARGA RESOURCES	(3,781,605)	1,093,592	(2,688,013)	104,927,383	-4%
TXU	(41,090,352)	4,958,139	(36,132,213)	1,308,498,153	-3%
TXU (ONCOR)	(2,687,722)	179,167	(2,508,555)	171,875,000	-2%
US INVESTIGATIONS	(1,488,095)	419,987	(1,068,108)	60,594,737	-2%
VERTRUE	(6,642,108)	1,570,284	(5,071,824)	140,350,375	-5%
WINDSTREAM	212,073	8,952	221,025	4,000,000	5%
<b>Total Loans</b>	<b>(221,370,402)</b>	<b>55,246,629</b>	<b>(166,123,773)</b>	<b>9,852,362,821</b>	<b>-2%</b>
<b>HY BONDS &amp; EQUITY</b>					
CDW MDP COMMITMENT	-	(11,614)	(11,614)	1,521,181	0%
CDW PEP COMMITMENT	-	(10,292)	(10,292)	1,347,964	0%
FIRST DATA CORP	(89,586)	(603,783)	(693,370)	54,128,169	0%
HD SUPPLY PIK	(17,416,660)	(2,493,585)	(19,910,244)	433,333,000	-4%
HD SUPPLY SENIOR NOTE	(23,486,649)	10,567,190	(12,919,458)	833,333,000	-3%
US INVESTIGATIONS SERVICES INC	516,662	(571,260)	(54,598)	31,610,000	2%
<b>Total Bonds</b>	<b>(40,476,233)</b>	<b>6,876,656</b>	<b>(33,599,577)</b>	<b>1,355,273,314</b>	<b>-3%</b>
<b>Hedges</b>	<b>42,115,487</b>	<b>92,548</b>	<b>42,208,036</b>		
<b>Grand Total</b>	<b>(219,731,148)</b>	<b>62,215,833</b>	<b>(157,515,315)</b>	<b>11,207,636,135</b>	<b>-2%</b>

# Global Real Estate Product Control

## Global Real Estate Update

*April 17, 2008*

**LEHMAN BROTHERS**

# GREG P&L Summary

	Q1	Mar	Apr/May Forecast	Q2 '08 (Forecast)
Run Rate	68	31	40	71
RE Advisory	(202)	(273)	(175)	(448)
Hedge Inefficiencies	(28)	(88)	(50)	(138)
Writedowns	(1,064)	(268)	(575)	(843)
Total Hedge Loss/ Writedowns	(1,092)	(356)	(625)	(981)
Total RE FID BPM	(1,226)	(598)	(760)	(1,358)
FID Corp				
RE Advisory	202	273	175	448
RE NBM Offset	96	104	100	204
Total FID Real Estate	(928)	(221)	(485)	(706)

# Summary

- \$268 million of markdowns taken in March 2008
- Additional \$575 million expected for the rest of Q2 2008
- Commercial mortgages are priced assuming leverage by Lehman after suggested MTM adjustments

<i>\$ in millions</i>	Market Value (03/31/08)	Average Mark	March 08 Net Markdowns	Apr./ May Net Markdowns Forecast	Total Q208 Net Markdowns	Comments
US Commercial						
Fixed Rate Securitizable	972	97.8		-	-	Credit and interest rate hedged; \$500mn CMBS pricing 4/18
Suncal Term Loans	1,603	82.4		(20)	(20)	Widening of yield on two properties to be consistent with portfolio offset by gains in CDS on Suncal
Term Loans / LOCs (excluding Suncal)	3,191	98.7	-	(10)	(10)	Exposure mainly Archstone term loan, which has a full price flex. The \$10mn was taken in early April.
CMBS:						
Bonds	1,243	75.7	-	(10)	(10)	See pages 8 ~ 9
IO's	414	1.3		(15)	(15)	See pages 8 ~ 9
Bridge Equity	3,194	83.5	(200)	(100)	(300)	See page 4
B-Notes / Mezz (Fixed & Floating)	5,926	94.3	(16)	(200)	(216)	See pages 5 ~ 6
Floating Rate Whole Loans	4,732	95.9	(8)	-	(8)	Syndication market from mid 200's to 400 DM; currently marked at 334. Deemed appropriate
<i>Total US Commercial</i>	<i>21,275</i>	<i>n/m</i>	<i>(224)</i>	<i>(355)</i>	<i>(579)</i>	
RE Derivatives	648			-	-	
US PTG	9,123	82.8	(9)	(170)	(179)	See page 7
Total Americas	31,046	n/m	(233)	(525)	(758)	
Europe	13,455		(29)	(50)	(79)	
Asia	10,019		(6)	-	(6)	
Global Real Estate	54,521		(268)	(575)	(843)	

# March 2008 Markdowns

Asset Class	Position names	Markdown (\$mn)	Comment
Bridge Equity	Archstone	(200)	Mark down to reflect market weakness as evidenced by: (i) buyers walked away from \$1bn of asset sales; (ii) increase in cap rate (widened exit cap rates by 50 bps); (iii) increased premium to investors until company is delevered through asset sales; (iv) no current cash on cash return for equity investors, and (v) liquidity. <i>[Private equity took another \$50mn markdown on their \$250mn permanent equity]</i>
Junior Notes (Mezz/ B-Notes)	Various	(16)	Marks required as a result of Feb-08 pricing review, mainly to account for widening of spreads
PTG	Mammoth Crossing	(9)	Mezz and equity investment in a land development entitlement play. LB walking away from deal.
Floating Rate Whole Loans / Mezz	Hilton	(8)	Term sheet with GE to sell \$1.3 billion of senior loan at Libor + 298 bps; spreads were widened across all the tranches
<i>US Total</i>		<i>(233)</i>	
Europe		(29)	
Asia		(6)	
<b>GREG Total</b>		<b>(268)</b>	

# April / May 2008 Markdowns – Bridge Equity (\$100mn)

Bridge Investment	Type	Face (\$mn)	Mark	Basis (\$mn)	With DEBT FLEX <sup>(1)</sup>		Hold Period	Forecast Writedown (\$mn)	Comment
					Projected IRR @ Basis	+50bps Exit Cap Rate			
TishmanDC	Portfolio	110	92.0	101	14.95%	11.73%	1-9 yrs	-	Long term fixed rate debt at low coupons; prime DC properties
1745 Broadway	Single-asset	15	95.0	14	16.65%	14.77%	9 yrs	-	
One Orlando	Single-asset	25	90.0	22	19.15%	17.75%	9 yrs	-	
Rosslyn Portfolio	Portfolio	310	92.4	286	21.64%	18.94%	2-10 yrs	(30)	Impact of price flex on debt
200 Fifth Avenue	Single-asset	195	96.8	188	31.41%	17.39%	3 yrs	-	Received a bid for \$150mn at par plus carry
TPG Austin Portfolio	Portfolio	148	89.9	133	21.10%	17.38%	3-9 yrs	(40)	Impact of price flex on debt
<b>Total Office</b>		<b>802</b>	<b>92.9</b>	<b>745</b>				<b>(\$70)</b>	
<b>Prologis NAIF3</b>	Portfolio	<b>574</b>	<b>86.4</b>	<b>496</b>	<b>11.20%</b>	<b>9.00%</b>	<b>8 yrs</b>		Marking to a 10% yield & 50bps increase in exit cap (30) rates; Deal has a 5% cash on cash return
<b>Archstone</b>	Portfolio	<b>2,142</b>	<b>79.9</b>	<b>1,712</b>	<b>20.55%</b>	<b>18.18%</b>	<b>1-7 yrs</b>	-	
<b>TOTAL BRIDGE EQUITY U.S.</b>		<b>3,519</b>	<b>84.0</b>	<b>2,954</b>				<b>(100)</b>	
<b>Other Short-Term Hold Positions</b>									
LB DI LLC		17	98.0	16					
LB 425 Park Ave LLC		69	97.6	68					
1211 6th Avenue LB Syndication		56	99.0	56					
LB Atlanta Area Portfolio Partner LP		73	89.7	66					
LB Atlanta Area - One Alliance		7	54.6	4					
237 Park Avenue LB Syndication Partner I		58	10.1	6					
200 Fifth Ave LB Syndication Partner LLC		23	96.8	22					
LB Atlanta Area - Two Alliance		2	100.0	2					
<b>TOTAL OTHER EQUITY U.S.</b>		<b>305</b>	<b>78.3</b>	<b>239</b>					
<b>TOTAL BRIDGE/OTHER EQUITY U.S.</b>		<b>3,824</b>	<b>83.5</b>	<b>3,194</b>					

(1) Flex exercised on Austin and Rosslyn:

Rosslyn: Approx. \$32mm paid by Venture to reimburse LB for discount on mezz (8.75% yield).

Austin: Approx. \$44mm paid by Venture to reimburse LB for discount on mezz (8.75% yield).

# April / May 2008 Markdowns – B-Notes/ Mezz (\$200mn)

## Two Approaches

### 1) Implied Loss on Assets Currently Being Marketed

- There are currently about \$800mn (or 17% of the asset class) of floating and fixed rate loans that are either circled or committed. The selling prices on these loans is approximately 5% lower than the current carrying basis, implying a write-down of approx. \$245mn across the portfolio.

	Legal Balance	Mark	Basis	Comment
Current Balances	6,283	94.3	5,926	
Adjustments				
Beacon III			(114)	Amounts from the recap of 237 Park will be utilized to markdown position
Hilton	(468)	92.9	(436)	Marked appropriately based on recent sale of senior piece to GE (Not yet closed, but GE has a board approval)
Rossllyn	(258)	96.0	(247)	Full price flex
Archstone	(492)	99.0	(487)	Full price flex
Adjusted Balances	5,065	91.6	4,642	

Estimated P&L on Assets being Marketed

-5.3% See next page for details

Potential Write-down	(245)
Basis and Mark post Write-down	5,065 86.8 4,397

### 2) Expected Levered Return to Buyers

- The recent marketing effort showed that many investors interested in buying these loans are generally looking for returns in the high teens to low 20s. To enable investors achieve those return levels, LB will have to provide leverage (with full recourse) of around 70%. *(Please see next page for details of current leverage requirements on circled and committed deals)*
- Current mark implies levered (70%) and unlevered returns of a 16.7% and 8%, respectively, to investors.

Required Return	Expected Markdowns (\$mn)
18%	96
19%	156
<b>20%</b>	<b>212</b>

Required Return	Expected Markdowns (\$mn)
21%	269
22%	327
23%	379

# April / May 2008 Markdowns – B-Notes/ Mezz (\$200mn)

## Loans Being Marketed

Beacon Fund II - Broadway	Mezz	ARM	1/6/2009	97.6	94.8	75,000,000	73,230,552	(2,130,552)	Circled	Y	65%
Beacon Fund II - Citigroup Center	Second	ARM	1/1/2012	93.6	85.0	54,756,158	51,248,011	(4,705,277)	Circled	Y	80%
John Hancock Center	Mezz	ARM	2/9/2012	87.7	82.0	98,000,000	85,939,806	(5,579,806)	Circled	Y	67%
125 High Street	Mezz	FRM	8/11/2011	92.2	95.6	55,000,000	50,729,764	1,850,635	Circled	Y	70%
Tishman DC 7 Year	Mezz	FRM	1/11/2014	94.1	82.6	58,534,465	55,088,501	(6,737,794)	Circled	N	
One Federal Street	Mezz	FRM	6/11/2016	96.5	94.8	27,500,000	26,536,946	(470,546)	Circled	Y	70%
Crescent Portfolio - Park Hyatt Beaver Creek	Mezz	ARM	6/9/2012	88.7	90.0	27,737,434	24,595,654	368,037	Circled	Y	75%
Project Gator - Normandy Office Portfolo	Mezz	ARM	12/9/2011	92.1	85.0	42,800,000	39,423,771	(3,043,771)	Circled	Y	65%
Project Elevation	Mezz	ARM	5/9/2012	89.6	85.5	117,155,000	104,919,140	(4,703,927)	Circled	Y	65% - 75%
Roslyn	Second	FRM	6/11/2017	95.3	84.9	35,000,000	33,338,170	(3,630,359)	Circled	N	
Roslyn	Second	FRM	6/11/2017	95.3	84.9	35,000,000	33,338,170	(3,630,359)	Circled	N	
EOP - Research Park Plaza	Mezz	ARM	6/9/2012	93.4	81.5	27,940,000	26,095,035	(3,323,935)	Circled	N	
EOP - Stonebridge II	Mezz	ARM	6/9/2012	93.4	85.0	17,700,000	16,525,132	(1,480,132)	Circled	N	
Park Hyatt Houston	Mezz	ARM	11/9/2011	90.2	84.8	29,700,000	26,803,146	(1,606,640)	Bid In Hand	Y	75%
Beacon Fund II - 10 Universal City Plaza	Second	ARM	1/9/2012	94.2	92.4	80,580,500	75,934,675	(1,478,293)	Committed	Y	80%
Continental Grand I	Mezz	ARM	12/6/2011	94.0	87.4	28,600,000	26,896,761	(1,886,938)	Committed	Y	70%
Kellogg Building	First / Mezz	ARM	4/9/2012	90.9	90.3	24,156,975	21,962,901	(161,231)	Committed	N	
Stanford Place I	First / Mezz	ARM	4/9/2012	90.2	90.3	34,693,025	31,309,165	1,290	Committed	N	

869,853,557    803,915,301    (42,349,599)

Loss from Sale as a % of Basis    -5.3%

# April / May 2008 Markdowns – PTG (\$170mn)

•Markdowns mainly driven by weakness in the residential market

MTS	Position Name	Legal Bal. (3/31/08)	Mark	Basis (3/31/08)	Potential MTM Adj	Comment
UC34	Spring Mountain Ranch Mezz	57.22	100.00	57.22	(50)	Property is 785 acres of vacant land in Riverside County, CA. Property was under contract with First Industrial for \$300mn, which would have resulted in over \$100mn of net proceeds to Lehman. Position was marked up to current level in anticipation of this sale. However, after engineering studies and due diligence, buyer has come back with a \$84M retrade plus reimbursements from the city for infrastructure development (estimated to be up to \$50mn). This offer is below the the current balance of the \$140mn senior loan). Cover bid not likely to come in much better. LB to walk away from deal.
WE170	Indiantown	48.20	98.16	47.31	(30)	Indiantown is a 2,250 lot residential development site in Indiantown, Martin County, FL just north of Palm Beach. Due to oversupply of unsold paper lots in the area, the original business plan is no longer economically feasible. CBRE & Cushman estimate lot values between \$6,000 and \$8,000. LB basis is \$21,000 per lot. The borrower is now looking to market the land for commercial uses.
WH4689	Whitworth Estate Senior	41.48	98.00	40.65	(20)	Collateral is 154 acres of raw land located in Delray Beach, FL which is currently entitled for 380 single family home sites. There is 30 months of existing supply in St. Lucie and Martin County.
VL67	Commons of McLean	175.38	87.29	153.09	(20)	The collateral consists of 23 multifamily buildings located in McLean, VA. The business plan was to improve the density of the project and redevelop the buildings, which was contingent upon the extension of Metro line to the site. The FTA has denied final design plan approval and consequent funding needed to complete the Metrorail extension. Sponsor now looking for equity partner and offer us a DPO. If that fails, LB will foreclose at loan maturity in 8/08. <i>[Revised mark assumes the 577 units sold at approx. \$230k based on comp sales]</i>
VB42	Boulder Springs Mezz	31.15	91.33	28.45	(20)	Collateral is a 658-acre, 5000 lot raw land developemnt in Riverside County, CA currently going through the entitlement process. The sponsor (Troxler) understands that their equity is under water. Markdown results from revaluation of yield as a result of the slowness in market absorption.
VU97	Petrini Bakersfield	54.49	99.52	54.23	(15)	Collateral is 1,810 acres of land located in Bakerfield, CA. McAllister Ranch, adjacent to the subject, has 6,000 lots with infrastructure developed already. Due to the deterioration in the residential market this position in being marked to a 20% yield.
	Crossings at Otay Ranch	10.82	100.59	10.89	(10)	168 unit condoc conversions project. 57 units sold todate at an average price of \$370k per unit. Project facing competition from new constructions; pricing reduced to \$235k per unit; Last unit closed in August 2006.
VE78	Troxler 34 (Marina Lofts)	24.90	39.12	9.74	(5)	LB recently accepted \$4mn offer for its partnership interest.
						(170)

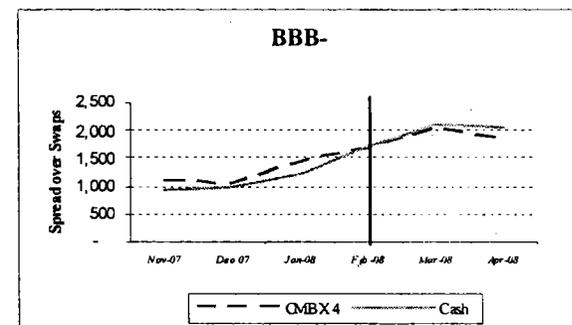
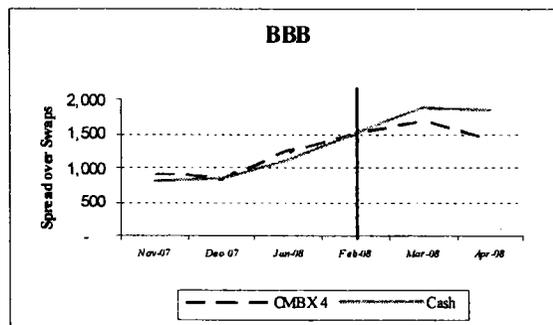
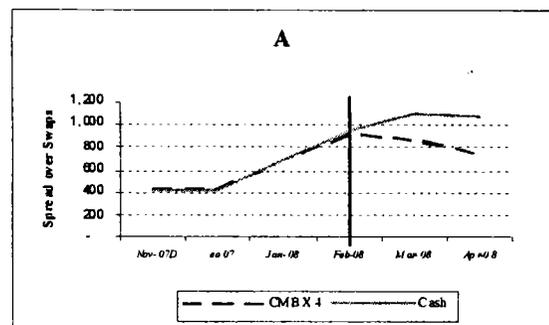
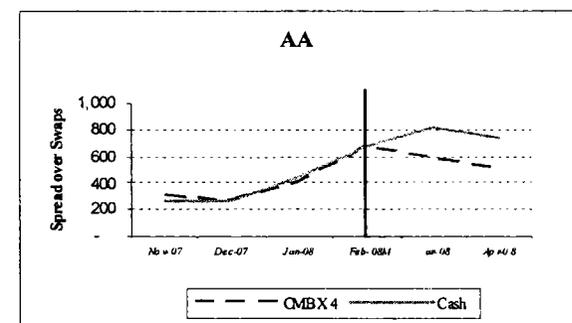
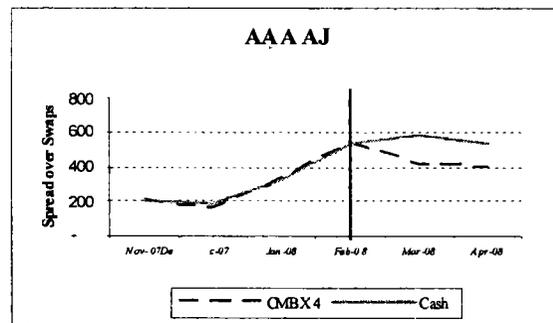
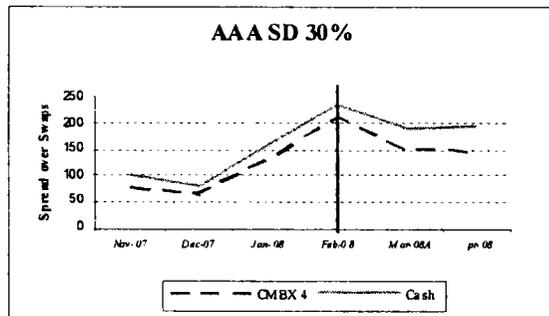
# CMBS Cash Bonds

	Notional (04/09/08)	Mark	Mkt Value (04/09/08)	Current Mark Spreads	CMBX 4	New Issue Cash Spreads	All CMBX Series 1 - 4	Potential Markdowns	Comments
<b>Fixed Rate Bonds</b>									
AAA	129	77.6	100	179 - 843	146	195 - 325	101 - 146		85% Re-remics which require much higher yields
AA	71	76.3	55	575 - 625	507	650 - 825	288 - 507		\$38mn (or 70%) from 2007 vintage; priced b/n CMBX & Cash spreads
A	251	69.4	174	650 - 925	732	975 - 1225	357 - 732		\$111 mn (or 64%) from 2006 vintage; priced b/n CMBX & Cash spreads
BBB+	84	62.4	52	485 - 1153	N/A	1725	N/A		
BBB	82	56.7	47	532 - 1253	1426	1850	574 - 1426		About 40% pre-2007 vintage
BBB-	101	58.2	58.5	794 - 1453	1877	2050	709 - 1877		Approximately 80% pre 2007 vintage
Non IG	7	68.7	5		N/A		N/A		
<b>Total Fixed Rate Bonds</b>	<b>724</b>	<b>67.7</b>	<b>491</b>						
<b>Floating Rate Bonds</b>									
2007-LLFA C5 AAA (A1)	118	90.0	106	325					\$307mn of A1 sold @ 325 on 3/14
2007-LLFA C5 AAA (A2)	386	86.6	334	400					Spread widened from 290 to 400 upon sale of A1
2007-LLFA C5 AAA (A3)	25	85.8	22	425					Spread widened from 325 to 425 upon sale of A1
AAA	38	92.6	35	210 - 325					All bonds are pre-2007 collateral
AA	60	90.4	54	285 - 450					Appox. 50% of collateral is pre-2007
A	30	87.3	26	225 - 485					Appox. 45% of collateral is pre-2007
BBB+	22	86.7	19	300 - 550					\$16mn (or 84% of FLT BBB+s) from 2007 vintage
BBB	79	88.0	70	325 - 575					\$58mn (or 83% of FLT BBBs) from 2007 vintage; MTM adj (2) to reflect WA spreads from 516 to 613
BBB-	118	89.7	106	350 - 625					\$106mn (or 100% of FLT BBB-s) from 2007 vintage; (8) MTM adj to reflect WA spreads from 462 to 685
Non IG	5	90.4	4						
<b>Total Floating Rate Bonds</b>	<b>881</b>	<b>88.1</b>	<b>777</b>						(10)
<b>IO's</b>									
Fixed AAA	26,407	1.6	413	500 - 900					Stress scenario assuming widening of spreads by 100 bps (15) from current levels
Floating AAA	5,674	0.0	0						
<b>Total</b>	<b>33,686</b>		<b>1,680</b>						(25)

# CMBS vs. CMBX Spreads

CMBX spreads have rallied in since the beginning of April, but is not accompanied by cash spreads

	AAA SD 30%		AAA AJ		AA		A		BBB		BBB-	
	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash
11/30/07	77	103	204	205	304	270	432	425	928	800	1,112	925
12/31/07	65	83	168	180	269	260	432	410	842	860	1,052	975
01/31/08	133	156	333	335	413	450	680	675	1,245	1125	1,455	1250
02/29/08	212	235	547	540	676	675	912	950	1,515	1525	1,707	1700
03/31/08	150	190	421	580	593	825	871	1100	1,671	1875	2,049	2100
04/09/08	146	195	401	535	507	735	732	1065	1,426	1850	1,877	2050



# Europe

## Summary of Exited Positions

\$'s in millions

Deal	Exit Route	Lien	Country	Total Position	Mark pre Exit	Exited	Exiting Price	Comments
Vintners	Syndicated	Senior	UK	230	97.77	(80)	98.41	Balance to exit by end of April
IZD	Syndicated	Senior	AUS	233	98.65	(233)	99.46	Exited
Cameron	Paid Down	Senior	GER	250	97.05	(250)	100.00	Exited
Beta	Syndicated	Mezz	IT	306	99.13	(306)	100.00	Exited
Teodora	Syndicated	Mezz	IT	186	95.79	(186)	100.00	Exited
Devonshire House	Sold	Bridge Eqty	UK	178	100.00	(36)	100.00	Partial Exit
Kamppi	Sold	Equity	FIN	19	100.00	(19)	200.00	Exited
<b>Total Exited</b>						<b>(1,110)</b>		

*Confidential*

# Capital Markets Finance

## Securitized Products PnL Update

April 15, 2008

LEHMAN BROTHERS

# Securitized Products PnL Summary

LEHMAN BROTHERS HOLDINGS INC.  
 MARK TO MARKET ADJUSTMENTS AND GROSS BALANCES  
 (Preliminary and Unaudited)  
 (In billions)

	For the quarter ended Feb 29, 2008		Gross balances as of	
	Mark to market adjustments - Gain/(Loss)		Feb 29, 2008	Nov 30, 2007
	Gross	Net		
Residential mortgages:				
Securities			\$18.2	\$16.7
Whole Loans			11.9	14.2
Servicing and other			1.7	1.2
	(\$3.0)	(\$0.8)	\$31.8	\$32.1

# Securitized Products PnL Summary

## Q1 2008 - Net Operating PnL

Total		Sec Prod	IMD
Q1		Q1	Q1
Writedowns	\$ (2,955)	\$ (2,544)	\$ (411)
Hedge Inc.	1,413	1,413	-
Other Inc.	699	699	-
<b>Net W/down</b>	<b>\$ (843)</b>	<b>\$ (432)</b>	<b>\$ (411)</b>

## Q1 2008 - B/S at Risk

	Prime	Sub-Prime	Other	US SP	SP EUR	SP ASIA	Global SP	IMD	CDO	Diclosure
Whole loans	3,696	1,295	1,636	6,627	4,956	330	11,913			11,913
Securities	7,261	2,599	650	10,509	4,234	370	15,113	996	724	16,833
Residuals	978	61	41	1,079	267	-	1,347			1,347
Servicing Rights	1,623	30	7	1,660			1,660			1,660
<b>Disclosure</b>	<b>13,557</b>	<b>3,985</b>	<b>2,334</b>	<b>19,876</b>	<b>9,458</b>	<b>699</b>	<b>30,033</b>	<b>996</b>	<b>724</b>	<b>31,753</b>

# Securitized Products PnL Summary

## Q1 2008 - Net Operating PnL

<b>Total</b>		<b>Sec Prod</b>	<b>IMD</b>
	Q1	Q1	Q1
Writedowns	\$ (2,955)	\$ (2,544)	\$ (411)
Hedge Inc.	1,413	1,413	-
Other Inc.	699	699	-
<b>Net W/downs</b>	<b>\$ (843)</b>	<b>\$ (432)</b>	<b>\$ (411)</b>

<b>Total</b>		<b>Prime</b>	<b>Non Prime</b>	<b>ABS</b>	<b>CDO</b>	<b>Other</b>	<b>Europe</b>
	Q1	Q1	Q1	Q1	Q1	Q1	Q1
Bonds	\$ (1,820)	\$ (1,212)	\$ (286)	\$ (17)	\$ (24)	\$ (161)	\$ (122)
Loans	\$ (745)	(258)	(390)	-	-	-	(97)
Resids	\$ 21	63	(53)	-	-	-	11
<b>Total Gross</b>	<b>\$ (2,544)</b>	<b>\$ (1,407)</b>	<b>\$ (728)</b>	<b>\$ (17)</b>	<b>\$ (24)</b>	<b>\$ (161)</b>	<b>\$ (208)</b>

# Securitized Products PnL Summary

## March 2008 - Net Operating PnL

<b>Total</b>	
Mar	
Writedowns	\$ (853)
Hedge Inc.	52
Other Inc.	193
<b>Net W/down</b>	<b>\$ (608)</b>

<b>Total</b>	
Mar	
Bonds	\$ (692)
Loans	(164)
Resids	3
<b>Total Gross</b>	<b>\$ (853)</b>

<b>Prime</b>	<b>Non Prime</b>
Mar	Mar
\$ (282)	\$ (296)
6	(64)
4	(0)
<b>\$ (271)</b>	<b>\$ (360)</b>

<b>ABS</b>	<b>CDO</b>	<b>Other</b>	<b>Europe</b>
Mar	Mar	Mar	Mar
\$ 3	\$ 3	\$ (47)	\$ (75)
-	-	(28)	(79)
-	-	-	-
<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ (75)</b>	<b>\$ (154)</b>

# Securitized Products PnL Summary

## FY 2008 Q2 Forecast

(\$millions)

	Q1	Q2	April / May	Apr MTD	Mar MTD
Run Rate	161	69	100	(6)	(25)
W/downs	(432)	(845)	(250)	13	(608)
	(271)	(776)	(150)	7	(633)

### Revenue Drivers

Q1 - Market driven losses as the Prime IG book sells off more than 10 points.

March - Prime losses continue but moderate in March.

April - Nonprime desk, which is net short, takes a hedge loss of \$55mm.

Prime and Non-resi trading have assets to write up offsetting hedge Losses.

Note CMBX, which was tightening earlier in April, is once again moving wider.

May - The business anticipates taking a (-\$200) loss on NPLs,

(-\$195) on 2nd Lien WLs, and (-50mm) in Europe.

Total MTM will be (-\$445) gross and (-\$250) net.

# Securitized Products PnL Summary

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## Second Lien Whole Loan YTD PnL

	Dec	Jan	Feb	Mar	YTD
Delinq. Roll	(23,733)	(27,637)	(14,997)	(35,000)	(101,366)
Other MTM	-	(10,863)	(1,430)	(412)	(12,705)
Net Carry	6,568	6,417	6,317	6,078	25,379
Total	(17,165)	(32,083)	(10,110)	(29,334)	(88,692)

For the past four months the delinquency roll has been worse than expected and the resulting MTM has exceeded the interest carry on the positions

As a result of the negative return on these assets over the last four months it seems appropriate that these assets should be remarked.

The desk has asked research to recalibrate the model assumptions around these loans. The lead time is several weeks which pushes us into May.

Finance has estimated the MTM at 13 points on \$1.5bn or \$200mm  
Price will go from 67 to 54

# Securitized Products PnL Summary

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## Non Performing Loans Mark to Market

It is estimated that domestically Securitized Products has \$3.0bn in nonperforming loans (NPLs).

The desk is currently working on a NPL whole loan trade with Baupost. Talks are preliminary and it appears that any bid for these loans would be below the current mark of 59.

Preliminary price and terms will likely not be available prior to month end.

Finance has estimated the MTM on these loans at 7 points on \$3.0bn or \$195mm

# Securitized Products PnL Summary

## Pricing Trend

Prime Securities						
Prices	Oct	Nov	Dec	Jan	Feb	Mar
AAA	97.00	94.45	93.41	92.89	76.54	77.29
AA	86.46	78.79	78.62	79.79	55.85	44.52
A	78.46	65.60	65.12	66.98	49.44	39.28
BBB	51.09	43.97	43.37	51.66	48.29	35.09
BB	36.07	32.07	31.94	33.06	32.10	31.61
B	26.97	21.85	21.53	22.54	22.71	24.18

Non-prime Securities						
Prices	Oct	Nov	Dec	Jan	Feb	Mar
AAA	94.46	97.41	97.01	94.34	89.86	78.08
AA	74.35	65.96	62.32	69.94	68.43	39.34
A	66.46	61.22	56.53	57.34	51.90	27.08
BBB	28.85	17.89	17.23	21.81	20.07	16.59
BB	27.83	14.23	14.28	19.87	20.39	13.46
B	12.55	6.76	5.45	7.90	7.74	7.02

Prime Whole Loans						
Prices	Oct	Nov	Dec	Jan	Feb	Mar
Hybrid ARMS	95.90	96.91	97.14	87.85	92.60	88.73
Fixed Rate	93.70	95.09	93.54	87.51	85.27	85.59

Non-prime Whole Loans						
Prices	Oct	Nov	Dec	Jan	Feb	Mar
1st Lien	91.70	89.80	89.60	62.90	54.00	53.90
2nd Lien	74.80	72.90	71.90	68.70	68.90	66.70

# Securitized Products PnL Summary

## March 2008 trading Activity

Select Vintages - Exclusive of Peloton Trades

Product Type	Rating	Vintage	Data	Buy	Sell	Inv. Px
Leh - Prime	AAA	2005	Ave Px	77.80	82.25	81.57
			Amount	9.50	56.70	
		2006	Ave Px	62.25	74.88	77.14
	Amount		457.81	65.47		
	2007	Ave Px	44.00	69.51	75.73	
		Amount	289.44	149.36		
AA	2006	Ave Px		23.00	36.77	
		Amount		13.77		
Leh - Subprime	AAA	2005	Ave Px	87.75	88.25	78.08
			Amount	1.19	1.19	
		2006	Ave Px	78.13	79.80	78.08
			Amount	13.20	13.20	
		2007	Ave Px	88.52	92.25	78.08
Amount	4.25		4.00			
			775.39	303.69		

## Prime AAA Securities - Average Prices

March 2008

Product type	Market Value	Avg Price
FIXED AAA	520,444,862	85.11
FIXED AAA SS	488,306,097	84.17
FIXED AAA MM	50,348,888	81.87
FIXED AAA JM	351,345,279	73.32
FLOATER AAA	233,562,905	78.44
FLOATER AAA SS	393,768,505	78.49
FLOATER AAA MM	231,941,037	72.68
FLOATER AAA JM	282,803,907	64.44
AAA (Generic)	1,770,421,856	75.53
	<b>4,322,943,336</b>	

## Buy

Product Type	Product Type2	Account Typ	Total
Lehman - Resi	Prime	Peloton	1,913.80
		Other	865.81
	Non-Prime	Peloton	10.17
		Other	58.74
3rd Party - Resi	Prime	Peloton	1,168.42
		Other	1,116.94
Non-Residential	Other	Peloton	40.00
		Other	126.63
Grand Total			5,937.51

## Sell

Product Type	Product Type2	Account Typ	Total
Lehman - Resi	Prime	Peloton	1,555.16
		Legacy	128.49
		Other	500.04
	Non-Prime	Peloton	10.17
		Legacy	155.92
3rd Pary - Resi	Prime	Other	46.49
		Peloton	978.07
Non-Residential	Other	Other	815.24
		Peloton	461.78
Non-Residential	Other	Peloton	40.00
		Other	978.33
Grand Total			5,669.68

# Securitized Products PnL Summary

## March 2008 trading Activity

Select Vintages - Exclusive of Peloton Trades

Product Type	Rating	Vintage	Data	Buy	Sell	Inv. Px
3rd Party - Prime	AAA	2005	Ave Px	72.58	87.72	81.57
			Amount	172.83	77.30	
		2006	Ave Px	61.67	79.04	77.14
	2007	Ave Px	46.59	88.00	75.73	
		Amount	191.19	137.81		
		2006	Ave Px		91.48	36.77
AA	2006	Ave Px		18.00		
		Amount				
	2007	Ave Px		99.31	47.83	
3rd Party - S-prime	AAA	2005	Ave Px	79.25	90.24	78.08
			Amount	4.09	12.02	
		2006	Ave Px	89.98	91.75	78.08
	2007	Ave Px	76.89	72.66		
		Ave Px	85.99	90.07	78.08	
		Amount	118.74	98.15		
	AA	2005	Ave Px	26.00	70.56	39.34
			Amount	9.45	6.00	
		2006	Ave Px	69.79	90.50	39.34
2007	Ave Px	23.65	3.00			
	Ave Px	18.61	21.30	39.34		
	Amount	22.71	58.32			
				1,155.50	914.58	

## ABX Pricing, March 31, 2008

Rating	ABX 06-1	ABX 07-2
AAA	89.50	51.73
AA	70.04	20.48
A	39.62	15.33
BBB	17.75	12.23
BBB-	15.21	11.58

# Securitized Products PnL Summary

## Non Prime Holdings at March 31, 2008

### Non Prime Securities by Rating

Rating	Net B/S (\$MM)	Avg Px	Avg Age (Mo.)	# of Pos
AAA	788.8	78.08	4	30
AA	124.4	39.34	6	20
A	56.7	27.08	8	28
BBB	45.8	16.59	7	40
BB	19.8	13.46	5	24
B	11.3	7.02	4	30
CCC & Below	15.8	1.97	11	167
NR	6.5	17.93	4	12
	<b>1,069.0</b>			<b>351</b>

### Non Prime AAA Detail

Deal/ Tranche	Deal Closing	Total BS Value	Price	% of AAA
SASC 2007-SC1 A1		103.54	94.08	
SASC 2007-SC1 A2		38.42	79.08	
SASC 2007-SC1 A3		142.91	90.08	
SASC 2007-SC1 A4		54.31	60.08	
	11/30/07	339.18	85.25	43%
BNCMT 2007-4 A2		27.76	61.08	
BNCMT 2007-4 A4		64.77	80.48	
BNCMT 2007-4 A3B		2.57	3.68	
	1/8/08	95.11	72.74	12%
SASC 2007-BNC1 A2		142.15	82.17	
SASC 2007-BNC1 A3		15.44	48.32	
SASC 2007-BNC1 A4		5.79	50.78	
	11/9/07	163.38	77.86	21%
SASCO 2007-BC4 A2		12.47	60.06	
SASCO 2007-BC4 A4		153.10	72.86	
	1/11/08	165.57	71.90	21%
		<b>763.24</b>	<b>79.21</b>	<b>97%</b>

# Securitized Products PnL Summary

## Write Downs By Rating

Q1 FY 2008

<b>Bonds - Gross Writedowns by Rating</b>		
	<b>Prime</b>	<b>Non Prime</b>
AAA	(615)	(149)
AA	(177)	(42)
A	(72)	(20)
BBB	(90)	(15)
BB	(16)	(12)
B	(9)	(6)
Below B	(0)	(18)
NR	(234)	(7)
	<u>(1,212)</u>	<u>(270)</u>

March 2008

<b>Bonds - Gross Writedowns by Rating</b>		
	<b>Prime</b>	<b>Non Prime</b>
AAA	4	(104)
AA	(60)	(97)
A	(52)	(35)
BBB	(68)	(48)
BB	(12)	(5)
B	(2)	(6)
Below B	(0)	(1)
NR	(93)	-
	<u>(282)</u>	<u>(296)</u>

# Securitized Products PnL Summary

## Non Agency Residential Exposure by Asset Class 11-30-07

(in millions)	US Prime	US Sub-Prime	US Other	Total US Residential	Sub-Total SP EUR	Sub-Total SP ASIA	Total Residential
<b>ASSETS</b>							
Whole loans	3,671	3,226	2,198	9,095	5,010	128	14,234
Securities	6,869	1,889	340	9,098	4,777	423	14,298
AAA	4,432	1,103	92 #	5,627	3,446	-	9,073
AA	1,398	328	92 0	1,818	237	-	2,055
Other	1,039	458	157 0	1,654	1,094	423	3,171
Residuals	997	30	39	1,066	370	-	1,436
Servicing Rights	1,202	25	8	1,235			1,235
<b>Total Cash Positions</b>	<b>12,739</b>	<b>5,170</b>	<b>2,585</b>	<b>20,494</b>	<b>10,157</b>	<b>551</b>	<b>31,203</b>

## Non Agency Residential Exposure by Asset Class 3-31-08

(in millions)	US Prime	US Sub-Prime	US Other	Total US Residential	Sub-Total SP EUR	Sub-Total SP ASIA	Total Residential
<b>ASSETS</b>							
Whole loans	3,432	1,206	1,506	6,144	3,035	519	9,699
Securities	6,014	2,180	628	8,822	7,313	372	16,507
AAA	4,525	1,334	364	6,223	4,215	-	10,438
AA	585	415	70	1,070	1,979	-	3,049
Other	904	431	194	1,529	1,119	372	3,020
Residuals	988	59	41	1,088	350	-	1,438
Servicing Rights	1,570	29	7	1,606			1,606
<b>Total Cash Positions</b>	<b>12,003</b>	<b>3,475</b>	<b>2,182</b>	<b>17,660</b>	<b>10,698</b>	<b>891</b>	<b>29,250</b>

# Securitized Products PnL Summary

Residential Exposure by Asset Class 11-30-07

(in millions)	US Prime	US Sub-Prime	Total Residential
<b>HEDGES *</b>			
<b>ABX</b>	<b>(84)</b>	<b>(365)</b>	<b>(449)</b>
AAA	(39)	44	5
AA	33	166	199
Other	(79)	(574)	(653)
<b>CMBX</b>	<b>(668)</b>	<b>(548)</b>	<b>(1,217)</b>
AAA	(202)	(471)	(674)
AA	(41)	-	(41)
Other	(425)	(77)	(502)
<b>CDS</b>			
<b>Single Name</b>	<b>1,225</b>	<b>(1,637)</b>	<b>(394)</b>
AAA	1,288	13	1,301
AA	-	(25)	(25)
Other	(64)	(1,626)	(1,689)
<b>Corp</b>	<b>(219)</b>	<b>(359)</b>	<b>(577)</b>
AAA	-	-	-
AA	(5)	(329)	(334)
Other	(213)	(30)	(243)
<b>Bond Index TRS (AAA)</b>	<b>(5,325)</b>	<b>836</b>	<b>(4,489)</b>
<b>Bond Index TRS/CMBS</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Single Name TRS</b>	<b>-</b>	<b>283</b>	<b>254</b>
AAA	-	229	229
AA	-	-	0
Other	(29)	54	25
<b>Total Hedges</b>	<b>(5,071)</b>	<b>(1,821)</b>	<b>(6,873)</b>
<b>NET EXPOSURE</b>	<b>7,668</b>	<b>3,349</b>	<b>24,331</b>

Residential Exposure by Asset Class 3-31-08

(in millions)	US Prime	US Sub-Prime	Total Residential	Change
<b>HEDGES *</b>				
<b>ABX</b>	<b>(44)</b>	<b>(141)</b>	<b>(186)</b>	<b>263</b>
AAA	(28)	(37)	(65)	(70)
AA	26	198	224	26
Other	(42)	(303)	(345)	308
<b>CMBX</b>	<b>(616)</b>	<b>(483)</b>	<b>(1,099)</b>	<b>118</b>
AAA	(179)	(183)	(362)	312
AA	(32)	(28)	(60)	(19)
Other	(405)	(273)	(677)	(176)
<b>CDS</b>				
<b>Single Name</b>	<b>843</b>	<b>(1,530)</b>	<b>(665)</b>	<b>(271)</b>
AAA	865	(290)	574	(727)
AA	-	(17)	(17)	8
Other	(23)	(1,224)	(1,223)	466
<b>Corp</b>	<b>(3,104)</b>	<b>(3,872)</b>	<b>(6,977)</b>	<b>(6,399)</b>
AAA	(4)	(326)	(331)	(331)
AA	(447)	(1,529)	(1,977)	(1,642)
Other	(2,653)	(2,017)	(4,670)	(4,427)
<b>Bond Index TRS (AAA)</b>	<b>(694)</b>	<b>(4)</b>	<b>(699)</b>	<b>3,791</b>
<b>Bond Index TRS/CMBS</b>	<b>-</b>	<b>(207)</b>	<b>(207)</b>	<b>(207)</b>
<b>Single Name TRS</b>	<b>-</b>	<b>1,057</b>	<b>1,057</b>	<b>803</b>
AAA	-	233	233	4
AA	-	-	-	-
Other	-	824	824	799
<b>Total Hedges</b>	<b>(3,616)</b>	<b>(5,181)</b>	<b>(8,775)</b>	<b>(1,902)</b>
<b>NET EXPOSURE</b>	<b>8,387</b>	<b>(1,706)</b>	<b>20,474</b>	<b>(3,857)</b>

# Securitized Products PnL Summary

## Q1 2008 - B/S at Risk

	Prime	Sub-Prime	Other	US SP	SP EUR	SP ASIA	Global SP	IMD	CDO	Disclosure
Whole loans	3,696	1,295	1,636	6,627	4,956	330	11,913			11,913
Securities	7,261	2,599	650	10,509	4,234	370	15,113	996	724	16,833
Residuals	978	61	41	1,079	267	-	1,347			1,347
Servicing Rights	1,623	30	7	1,660			1,660			1,660
<b>Disclosure</b>	<b>13,557</b>	<b>3,985</b>	<b>2,334</b>	<b>19,876</b>	<b>9,458</b>	<b>699</b>	<b>30,033</b>	<b>996</b>	<b>724</b>	<b>31,753</b>

## Balance Sheet Reduction Plan

**2/28 Bal.            31.8**

### Reductions:

AAA Sales            (2.5)

Loans                (0.5)

Europe              (1.5)

IMD                 (0.5)

MTM                (0.5)

Other                (0.5)

                            
(6.0)

**Target                25.8**

**Q2 FID FORECAST**

*April 17, 2008*

**LEHMAN BROTHERS**

# Q2 Summary

	Q1			Q2 Forecast			Q2 v Q1 RR
	Run Rate	WD	Total	Run Rate	WD	Total	
Global Rates	1,001		1,001	179		179	(823)
Foreign Exchange	208		208	71		71	(138)
<b>Liquids</b>	1,209		1,209	249	0	249	(960)
High Grade Credit	665		665	410		410	(255)
CDO	151	(100)	51	(24)		(24)	(175)
High Yield	442		442	166		166	(276)
<b>GCP</b>	1,258	(100)	1,158	552	0	552	(706)
Securitized Products	161	(432)	(271)	69	(845)	(776)	(92)
Real Estate	(162)	(1,064)	(1,226)	(377) <i>Adv - 448</i>	(981) <i>138 hedge</i>	(1,358)	(215)
Municipals	(206)		(206)	296 <i>71</i>	296 <i>643 mcs</i>	296	502
Commodities Trading	52		52	84		84	32
CAF		(267)	(267)	0	(100)	(100)	0
FRLS	9		9	(45)		(45)	(54)
GAAP	(59)		(59)	(58)		(58)	1
CDX IG9	(2)		(2)	(68)		(68)	(66)
RE Advisory Offset	201		201	448 ✓		448	247
RE NBM Offset		96	96		204 ✓	204	0
NBM Offset	(81)		(81)	1	23	24	82
Fid Corp - OTHER	(3)	2	(1)	(78)		(78)	(75)
<b>Fid Corporate Total</b>	65	(169)	(104)	200	127	327	135
Prime Services	364		364	262	0	262	(102)
<b>FID GLOBAL</b>	<b>2,741</b>	<b>(1,765)</b>	<b>976</b>	<b>1,335</b>	<b>(1,699)</b>	<b>(364)</b>	<b>(1,406)</b>

# Q2 Run Rate

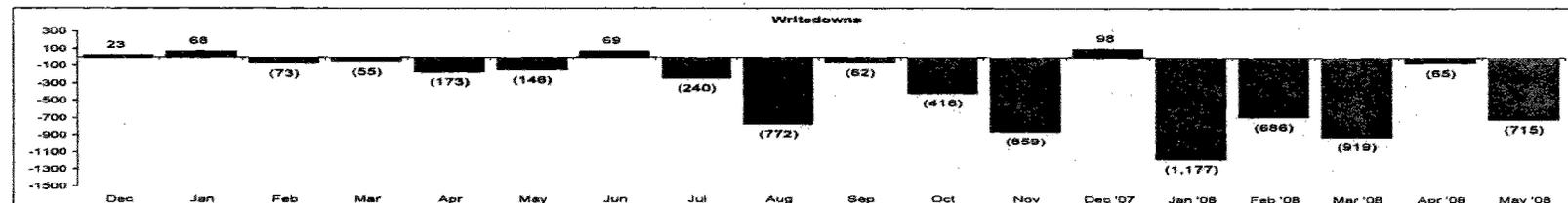
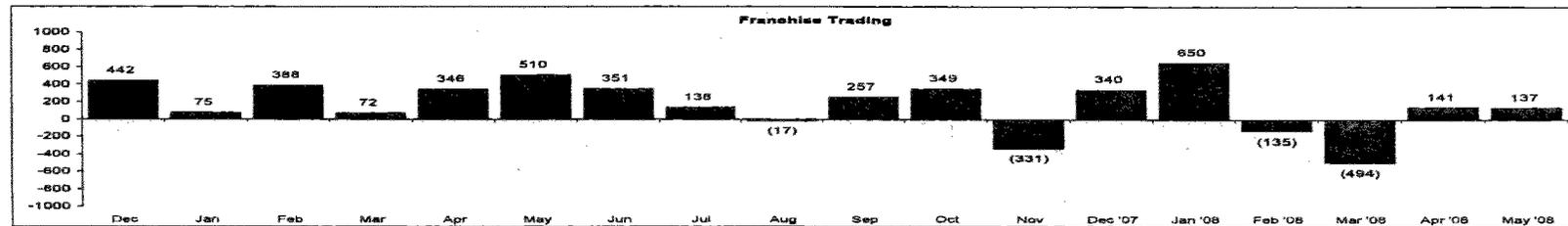
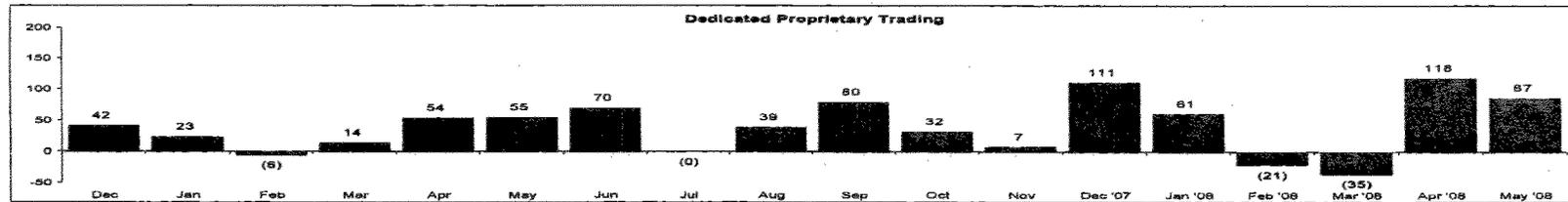
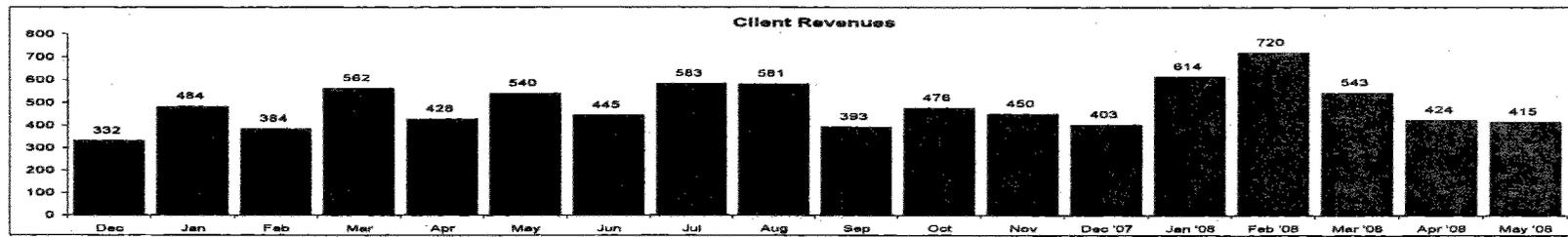
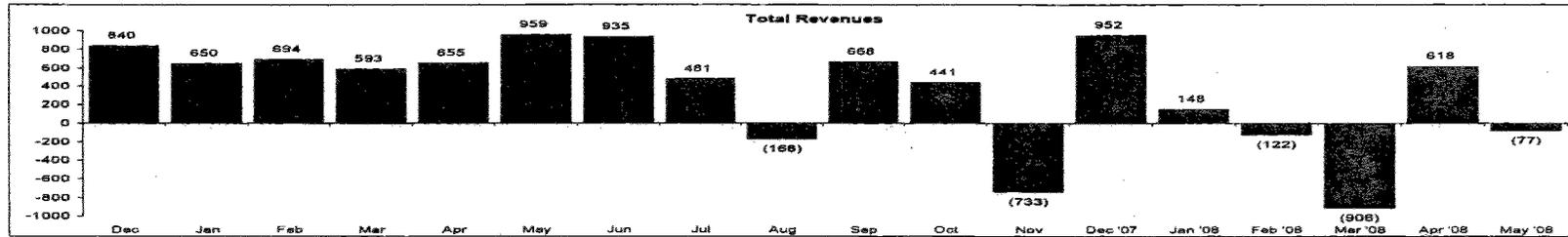
	Qtr to Date		Implied Monthly Run Rate				Q2	
	March MTD	April MTD	Client Rev	Prop	Port Mgmt	Total	Aprl May Frcst	RR Frcst
Global Rates	(157)	133	100	35	0	135	203	179
Foreign Exchange	(7)	(5)	50	5	0	55	83	71
<b>Liquids</b>	<b>(164)</b>	<b>128</b>	<b>150</b>	<b>40</b>	<b>0</b>	<b>190</b>	<b>285</b>	<b>249</b>
High Grade Credit	235	25	90	0	10	100	150	410
CDO	(53)	14	0	10	0	10	15	(24)
High Yield	(23)	24	55	5	50	110	165	166
<b>GCP</b>	<b>159</b>	<b>63</b>	<b>145</b>	<b>15</b>	<b>60</b>	<b>220</b>	<b>330</b>	<b>552</b>
Securitized Products	(25)	(6)	0	0	0	0	100	69
Real Estate	(242)	0	0	27	(117)	(90)	(135)	(377)
Municipals	129	129	15	5	5	25	38	296
Commodities Trading	25	14	25	0	5	30	45	84
CAF	0	0						0
FRLS	(39)	(6)						(45)
GAAP	(66)	8						(58)
CDX IG9	(32)	(36)						(68)
RE Advisory Offset	273	0			117	117	175	448
NBM Offset	0	1						1
Fid Corp - OTHER	(81)	3						(78)
<b>Fid Corporate Total</b>	<b>54</b>	<b>(30)</b>			<b>117</b>	<b>117</b>	<b>175</b>	<b>200</b>
Prime Services	100	42	80			80	120	262
<b>FID GLOBAL</b>	<b>36</b>	<b>340</b>	<b>415</b>	<b>87</b>	<b>70</b>	<b>572</b>	<b>957</b>	<b>1,335</b>

*Handwritten notes:*  
 F273 AN (6) 3X Run  
 (175) Adv Run  
 40

# Q2 Writedowns

	Qtr to Date		Remaining	Q2 W/D Frct
	March MTD	April MTD		
High Grade Credit				0
CDO				0
High Yield				0
<b>GCP</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Securitized Products</b>	<b>(608)</b>	<b>13</b>	<b>(250)</b>	<b>(845)</b>
Bride Equity	(200)		(100)	(300)
B-Notes\Mezz	(16)		(200)	(216)
Bank Loans (REIT)	0	(10)		(10)
PTG	(9)		(170)	(179)
Suncal	0		(20)	(20)
Hilton	(8)			(8)
CMBS	0		(25)	(25)
Hedges	(88)	(50)		(138)
Real Estate - US	(321)	(60)	(515)	(896)
Real Estate - Europe\Asia	(35)		(50)	(85)
<b>Real Estate</b>	<b>(356)</b>	<b>(60)</b>	<b>(565)</b>	<b>(981)</b>
CAF	(82)	(18)		(100)
RE NBM Offset	104		100	204
NBM Offset	23			23
<b>Fid Corporate Total</b>	<b>45</b>	<b>(18)</b>	<b>100</b>	<b>127</b>
<b>FID GLOBAL</b>	<b>(919)</b>	<b>(65)</b>	<b>(715)</b>	<b>(1,699)</b>

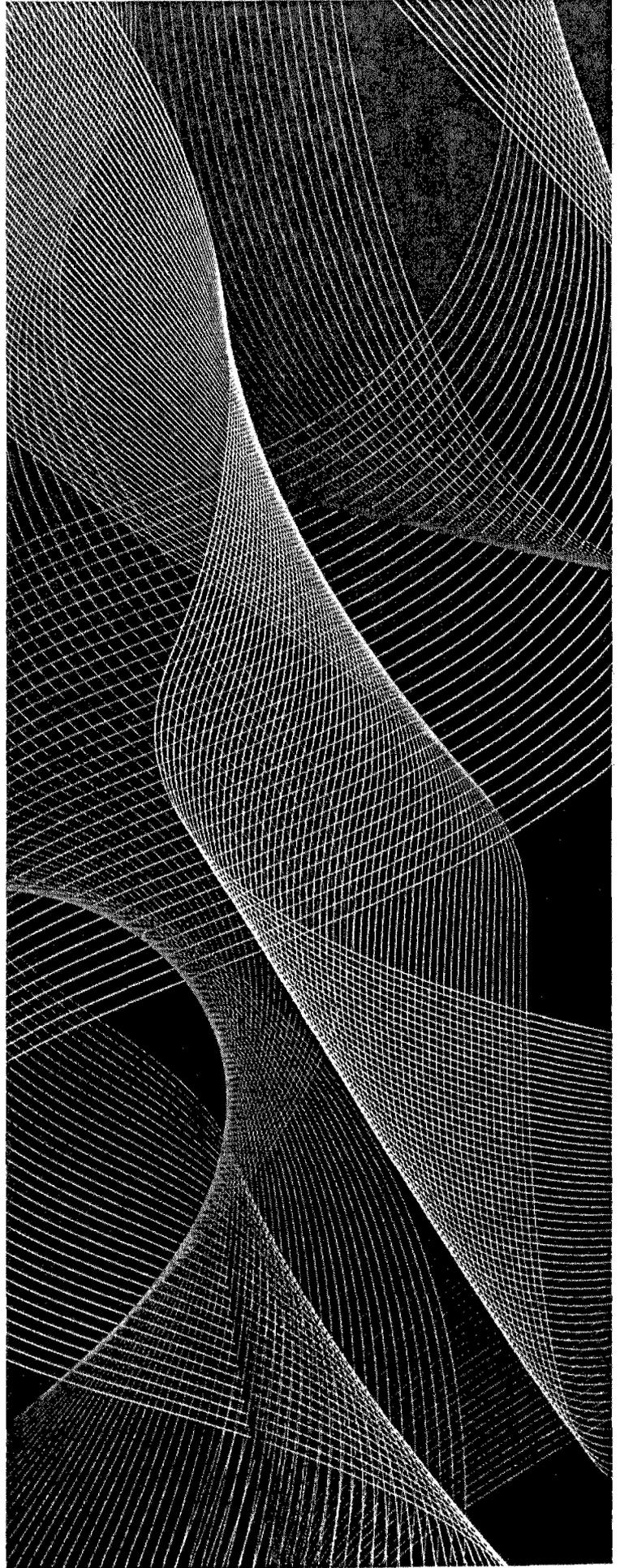
# Monthly Trend



LEHMAN BROTHERS

*Presentation to  
Collins  
5/12/07*

# Real Estate Product Control Update



Confidential Presentation

# Global Real Estate Write Downs and P&L

Q2 2008 to date as of 5/22/08

<i>\$ in millions</i>	Gross Writedowns		Hedge Gains/Loss		Net
<b>Americas Trading Book</b>	\$	(535)	\$	(66)	\$ (602)
<b>Commercial</b>	\$	(508)	\$	(66)	\$ (574)
<i>Position writedowns</i>	\$	(353)	\$	-	\$ (353)
<i>ITraxx gains used to mark down positions</i>	\$	(96)	\$	96	\$ -
<i>CMBX/DNS gains used to mark down positions</i>	\$	(59)	\$	59	\$ -
<i>ITraxx hedge inefficiency losses</i>	\$	-	\$	(181)	\$ (181)
<i>CMBX/DNS hedge inefficiency losses</i>	\$	-	\$	(40)	\$ (40)
<b>PTG</b>	\$	(27)	\$	-	\$ (27)
Position writedowns	\$	(27)	\$	-	\$ (27)
<b>Americas Hedging Book</b>	\$	397	\$	(397)	\$ -
<i>Duration Neutral Swaps</i>	\$	242	\$	(242)	\$ -
<i>CDX</i>	\$	18	\$	(18)	\$ -
<i>CMBX</i>	\$	136	\$	(136)	\$ -
<i>TRS</i>	\$	2	\$	(2)	\$ -
<b>Total Americas</b>	\$	(138)	\$	(463)	\$ (602)
<b>Europe</b>	\$	(47)	\$	-	\$ (47)
<b>Asia</b>	\$	4	\$	-	\$ 4
<b>Total Real Estate Write Downs thru May 22</b>	\$	(182)	\$	(463)	\$ (645)
Run Rate					\$ 27
RE Advisory					\$ (277)
<b>Total Real Estate Revenue thru May 22</b>					\$ (895)
FID Corp Reimbursement					\$ 502
<b>Net Real Estate FID Revenue thru May 22</b>					\$ (393)
Add'l est write downs					\$ (616)
Capital Crossing est write down					\$ (100)
FID Corp Reimbursement					\$ 60
<b>Net Real Estate FID Revenue est thru May 31</b>					\$ (1,049)

# GREG Significant Exposures

As of 5/20/08

Position Name	Notional	Mark	LB Basis	Comment
<b>Archstone</b>				
Senior Debt (Floating Rate)	36	99	36	Full price flex; LB to make 1% irrespective of exit price
Mezz Debt	491	99	486	Full price flex; LB to make 1% irrespective of exit price
Term Loan	1,963	99	1,942	Full price flex; LB to make 1% irrespective of exit price; \$115mn unfunded commitment
Development Loan	193	95	183	Full price flex; LB to make 1% irrespective of exit price
Revolver	217	99	215	Full price flex; LB to make 1% irrespective of exit price; \$130mn unfunded commitment
Bridge Equity	2,389	80	1,903	Mark assumes Term Loan B is exit at 90, mezz spreads widened from 275 to 450 and exit cap rates increased by 50 bps; includes Private Equity's \$246mn GP equity interest.
	5,289	90	4,765	
Positions marked to a 15% yield (except for Pacific Point and Marblehead which are carried at 12%); Markdown of \$102mn to be taken based on the most recent review of the portfolio. Additional markdown of \$16mn required all assets are carried at a 15% yield.				
Suncal	1,961	81	1,596	
Beacon III (Mezz)	799	90	721	\$612mn floating, \$109mn fixed; Current mark deemed appropriate based on pricing inputs from bids / circles. Carried at WA DM of 913
237 Park Ave (Mezz)	531	87	465	\$284mn floating, \$180mn fixed; \$225mn of mezz debt being marketed at a yield of 13%; \$32mn markdown suggested to get to a 13% yield; Marks on remaining positions deemed appropriate (carried at WA DM of 1309)
<b>Hilton</b>				
Senior Debt (Floating Rate)	865	93	803	Position deemed marked appropriately based on a recent sale of \$1.3 bn senior debt to GE at Libor + 298 bps; current weighted average DM
Mezz Debt	464	93	431	of 363
	1,329	93	1,234	
<b>Coeur Defense</b>				
CMBS Bonds	523	96	501	
Bridge Equity	735	90	664	\$110mn bridge equity held by Private Equity which is marked at par; GREG bridge equity marked to a target yield of 15%.
	1,258	93	1,165	
<b>Rosslyn</b>				
Mezz Debt	258	100	257	Full price flex
Bridge Equity	310	92	286	Additional markdown of \$30mn suggested to a target investor IRR of 20.6%
	568	96	543	
<b>Prologis</b>				
Senior Debt (Floating Rate)	562	99	554	\$437mn of senior loan has been refinanced; additional \$398mn of commitments from 3rd party lenders expected to close by June 2008
Mezz Debt	34	100	34	
Bridge Equity	574	86	496	Additional markdown of \$30mn suggested to a target investor IRR of 10%
	1,170	93	1,085	
<b>EOP Austin</b>				
Mezz Debt	315	98	308.8	Full price flex
Term Loan	112	99	111.8	Full price flex
Bridge Equity	148	90	132.6	Additional markdown of \$40mn suggested to a target investor IRR of 25%
	575	96	553	
<b>Total</b>	<b>10,262</b>	<b>91</b>	<b>9,365</b>	
Global RE			51,292	
%			18%	

# RE Americas: May 2008 Potential Write-downs

Asset Class	Markdown (\$mn)	Comment
PTG - Tier I	(326)	Marks required as a result of Feb-08 pricing review Potential marks on assets that have some degree of evidences of collateral
PTG - Tier II	(111)	deterioration
Suncal	(102)	Based on review performed by business; PC yet to review
Bridge Equity	(100)	Marks driven by widening of expected investor required yields
Floating Rate Large Loans	(20)	Marks to account for recent bids received on assets circled
Floating Rate Junior Notes	(22)	Marks required as a result of Apr-08 pricing; mainly driven by bids received on assets that are being marketed
Fixed Rate B-Notes	(47)	Marks required as a result of Apr-08 pricing; mainly driven by bids received on assets that are being marketed
<b>Total</b>	<b>(729)</b>	
<b>Total Excluding PTG Tier II</b>	<b>(618)</b>	

# RE Americas: Bridge Equity

As of 4/30/08

Bridge Investment	Type	Face (\$mm)	Mark	Basis (\$mm)	With DEBT FLEX <sup>(1)</sup>		Hold Period	Forecast Writedown (\$mm)	Adj. IRR +50bps Exit Cap Rate	Comment
					Projected IRR @ Basis	+50bps Exit Cap Rate				
TishmanDC	Portfolio	110	92.0	101	14.95%	11.73%	1-9 yrs	-		Long term fixed rate debt at low coupons; prime DC properties
1745 Broadway	Single-asset	15	95.0	14	16.65%	14.77%	9 yrs	-		
One Orlando	Single-asset	25	90.0	22	19.15%	17.75%	9 yrs	-		
Rosslyn Portfolio	Portfolio	310	92.4	286	21.64%	18.94%	2-10 yrs	(30)	20.62%	Impact of price flex on debt
200 Fifth Avenue	Single-asset	195	96.8	188	31.41%	17.39%	3 yrs	-		Received a bid for \$150mn at par plus carry
TPG Austin Portfolio	Portfolio	148	89.9	133	21.10%	17.38%	3-9 yrs	(40)	25.03%	Impact of price flex on debt
<b>Total Office</b>		<b>802</b>	<b>92.9</b>	<b>745</b>				<b>(\$70)</b>		
Prologis NAIF3	Portfolio	574	86.4	496	11.20%	9.00%	8 yrs	(30)	10.00%	Marking to a 10% yield & 50bps increase in exit cap rates: Deal has a 5% cash on cash return
Archstone	Portfolio	2,142	79.9	1,712	20.55%	18.18%	1-7 yrs	-		
<b>TOTAL BRIDGE EQUITY U.S.</b>		<b>3,519</b>	<b>84.0</b>	<b>2,954</b>				<b>(100)</b>		
<i>Other Short-Term Hold Positions</i>										
LB DI LLC		17	98.0	16						
LB 425 Park Ave LLC		69	97.6	68						
1211 6th Avenue LB Syndication		56	99.0	56						
LB Atlanta Area Portfolio Partner LP		73	89.7	66						
LB Atlanta Area - One Alliance		7	54.6	4						
237 Park Avenue LB Syndication Partner L		58	10.1	6						
200 Fifth Ave LB Syndication Partner LLC		23	96.8	22						
LB Atlanta Area - Two Alliance		2	100.0	2						
<b>TOTAL OTHER EQUITY U.S.</b>		<b>305</b>	<b>78.3</b>	<b>239</b>						
<b>TOTAL BRIDGE/OTHER EQUITY U.S.</b>		<b>3,824</b>	<b>83.5</b>	<b>3,194</b>						

(1) Flex exercised on Austin and Rosslyn

Rosslyn: Approx. \$32mm paid by Venture to reimburse LB for discount on mezz (8.75% yield).

Austin: Approx. \$44mm paid by Venture to reimburse LB for discount on mezz (8.75% yield)

# RE Americas: Suncal Exposure

As of 5/22/08

Position Name	Lien Type	Legal Balance	Mark	Market Value (5/22/08)	Proposed Marks	Proj. Market Value (5/31/08)	New Marks (Proj. 5/31/08)	Business Unit
10000 Santa Monica	First	109.52	98.88	108.29		108.29	98.88	GREG
Oak Knoll & Del Amo	First	138.39	93.48	129.36		129.36	93.48	GREG
Palm Spring Village - Term Loan	First	65.00	96.64	62.82		62.82	96.64	GREG
Suncal Palm Springs Village - Revolver	Revolver	9.74	96.64	9.42	-	9.42	96.64	GREG
<i>Total RE Held for Sale</i>		<u>322.65</u>	<u>96.04</u>	<u>309.89</u>	-	<u>309.89</u>	<u>96.04</u>	
Palmdale Hills (Ritter Ranch) - Term Loan	First	208.48	96.76	201.73		201.73	96.76	GREG
Palmdale Hills (Ritter Ranch) - Revolver	Revolver	29.82	96.78	28.86	(15.64)	13.22	44.33	GREG
SCC Palmdale Revolver	Revolver	95.00	16.82	15.98		15.98	16.82	GREG
Suncal Communities I - Term	First	275.90	87.82	242.31	(19.14)	223.18	80.89	GREG
Suncal Communities I - Revolver	Revolver	16.25	50.00	8.13		8.13	50.00	GREG
Marblehead / Heartland - Term Loan	First	296.06	91.41	270.63	(1.51)	269.12	90.90	GREG
Marblehead / Heartland - Revolver	Revolver	2.81	61.92	1.74		1.74	61.92	GREG
Northlake - Term	First	68.50	98.42	67.42		67.42	98.42	GREG
Northlake - Revolver	Revolver	32.69	98.42	32.17		32.17	98.42	GREG
Oak Valley Champions - Term Loan	First	90.17	65.25	58.83	(11.46)	47.38	52.54	GREG
Oak Valley Champions - Revolver	Revolver	27.61	65.44	18.07		18.07	65.44	GREG
Pacific Point - Term Loan	First	88.12	101.37	89.33	(2.00)	87.33	99.10	GREG
Pacific Point - Revolver	Revolver	16.69	100.00	16.69		16.69	100.00	GREG
Pacific Point - Mezz	Mezz	40.56	33.84	13.73		13.73	33.84	GREG
Bickford Ranch - Mezz	Mezz	35.00	77.29	27.05		27.05	77.29	GREG
Delta Cove - Senior	First	180.87	95.21	172.20	(51.66)	120.54	66.65	GREG
Suncal Interim Loan	Other	20.00	99.51	19.90		19.90	99.51	GREG
Suncal Master I - 2nd & 3rd Lien	Second / Third	66.37	1.11	0.73		0.73	1.11	GREG
Terra Lago	Equity	4.85	21.57	1.05	(1.00)	0.04	0.93	
Delta Shores	Equity	42.23	-	-	-	-	-	
<i>Total Mortgages</i>		<u>1,637.97</u>	<u>78.54</u>	<u>1,286.53</u>	<u>(102.40)</u>	<u>1,184.14</u>	<u>72.29</u>	
Suncal Master III	Equity	161.56	91.67	148.10	-	148.10	91.67	IMD
<b>Total Suncal Exposure</b>		<b>2,122.18</b>	<b>82.20</b>	<b>1,744.52</b>	<b>(102.40)</b>	<b>1,642.13</b>	<b>77.38</b>	
<b>GREG Only</b>		<b>1,960.62</b>	<b>81.42</b>	<b>1,596.42</b>	<b>(102.40)</b>	<b>1,494.03</b>	<b>76.20</b>	

# RE Americas: Archstone Sensitivity

## Exit Cap Sensitivity

		Net Investor IRR								
		18.01%			19.00%			20.00%		
	Base Case	+ 0.50%	+ 0.75%	+ 1.00%	+ 0.50%	+ 0.75%	+ 1.00%	+ 0.50%	+ 0.75%	+ 1.00%
T=7 Exit Cap	+ 0.50%	+ 0.75%	+ 1.00%	+ 0.50%	+ 0.75%	+ 1.00%	+ 0.50%	+ 0.75%	+ 1.00%	+ 1.00%
RENT CAGR	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%
% Mark	79.64%	75.51%	71.49%	76.00%	72.00%	68.20%	72.50%	68.70%	65.00%	65.00%
<b>T=0 Mark</b>	<b>(\$436,126,175)</b>	<b>(\$524,580,698)</b>	<b>(610,689,902)</b>	<b>(\$514,084,800)</b>	<b>(\$599,765,600)</b>	<b>(\$681,162,360)</b>	<b>(\$589,055,500)</b>	<b>(\$670,452,260)</b>	<b>(\$749,707,000)</b>	<b>(\$749,707,000)</b>
Additional Marks	\$0	(\$88,454,523)	(\$174,563,727)	(\$77,958,625)	(\$163,639,425)	(\$245,036,185)	(\$152,929,325)	(\$234,326,085)	(\$313,580,825)	(\$313,580,825)

## CAGR Sensitivity

		Net Investor IRR								
		18.01%			19.00%			20.00%		
	Base Case	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%
RENT CAGR	5.62%	4.62%	3.62%	5.62%	4.62%	3.62%	5.62%	4.62%	3.62%	3.62%
T=7 Exit Cap	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%	+ 0.50%
% Mark	79.64%	67.70%	56.05%	76.00%	64.50%	53.42%	72.50%	61.55%	50.91%	50.91%
<b>T=0 Mark</b>	<b>(\$436,126,175)</b>	<b>(\$691,872,460)</b>	<b>(941,417,790)</b>	<b>(\$514,084,800)</b>	<b>(\$760,417,100)</b>	<b>(\$997,752,916)</b>	<b>(\$589,055,500)</b>	<b>(\$823,606,690)</b>	<b>(\$1,051,517,618)</b>	<b>(\$1,051,517,618)</b>
Additional Marks	\$0	(\$255,746,285)	(\$505,291,615)	(\$77,958,625)	(\$324,290,925)	(\$561,626,741)	(\$152,929,325)	(\$387,480,515)	(\$615,391,443)	(\$615,391,443)

## Current Valuation Assumptions

- ◆ Going in Cap rate based on 2008 budgeted NOI is 4.1%
- ◆ Base case exit cap is 5.39% (4.89% original + 50 bps stress)
- ◆ Rent CAGR is at 5.62%

# RE Americas: Mark Movements by Asset Class

	B/S at Risk	Mark			
	4/30/08	11/30/07	2/29/08	4/30/08	Projected 5/31/2008
US Commercial					
Fixed Rate Securitized	469	97.2	93.8	94.9	93.9
Suncal	1,596	90.3	83.8	84.0	76.2
CMBS:					
Bonds	1,142	94.5	81.4	78.3	78.3
IO's	331	1.5	1.3	1.2	1.2
Floating Rate B-Notes / Mezz	3,820	96.9	94.6	93.9	91.9
Fixed Rate B-Notes / Mezz	2,108	96.1	90.8	94.3	91.8
Floating Rate Whole Loans	7,283	98.5	97.4	96.7	96.3
LOCs (excluding Suncal)	522	99.1	97.5	96.7	96.7
<i>Total US Commercial</i>	<i>17,271</i>				
US PTG					
Debt	6,611	89.7	89.4	89.0	86.1
Equity / REO	2,874	76.7	70.3	70.5	67.7
Bridge Equity (excluding Archstone)	1,512	92.6	88.0	89.3	83.4
Archstone	1,706	90.5	89.6	79.6	79.6
<i>Total US PTG</i>	<i>12,703</i>				
<b>Total Americas</b>	<b>29,975</b>				

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# Global Real Estate Product Control

## Real Estate Americas Potential Write-downs

*May, 2008*

LEHMAN BROTHERS

# GREG P&L Summary

	Q1	Mar	Apr/May Forecast	Q2 '08 (Forecast)
Run Rate	40	31	40	71
RE Advisory	(202)	(292)	(175)	(467)
Hedge Loss	0	(88)	(100)	(188)
Writedowns	(1,064)	(268)	(600)	(868)
Total RE FID BPM	(1,226)	(617)	(835)	(1,452)
FID Corp				
RE Advisory	202	292	175	467
RE NBM Offset	96	104	100	204
Total FID Real Estate	(928)	(221)	(560)	(781)

# Summary

- \$268 million of markdowns taken in March 2008
- Additional \$600 million expected for the rest of Q2 2008
- Commercial mortgages are priced assuming leverage by Lehman after suggested MTM adjustments

<i>\$ in millions</i>	Market Value (03/31/08)	Average Mark	March 08 Net Mark downs	Apr./ May Net Mark downs Forecast	Total Q208 Net Mark downs	Comments
US Commercial						
Fixed Rate Securizable	972	97.8		-	-	Credit and interest rate hedged; \$500mn CMBS pricing 4/18
Suncal Term Loans	1,603	82.4		(45)	(45)	Widening of yield on two properties to be consistent with portfolio
Term Loans / LOCs (excluding Suncal)	3,191	98.7	-	(10)	(10)	Exposure mainly Archstone term loan, which has a full price flex
CMBS:						
Bonds	1,243	75.7	-	(10)	(10)	See pages 8 - 9
IO's	414	1.3		(15)	(15)	See pages 8 - 9
Bridge Equity	3,194	83.5	(200)	(120)	(320)	See page 4
B-Notes / Mezz (Fixed & Floating)	5,926	94.3	(16)	(200)	(216)	See pages 5 - 6
Floating Rate Whole Loans	4,732	95.9	(8)	-	(8)	Syndication market from mid 200's to 400 DM; currently marked at 334. Deemed appropriate
<i>Total US Commercial</i>	<i>21,275</i>	<i>n/m</i>	<i>(224)</i>	<i>(400)</i>	<i>(624)</i>	
RE Derivatives	648			-	-	
US PTG	9,123	82.8	(9)	(200)	(209)	See page 7
Total Americas	31,046	n/m	(233)	(600)	(833)	
Europe	13,455		(29)	-	(29)	
Asia	10,019		(6)	-	(6)	
Global Real Estate	54,521		(268)	(600)	(868)	

# March 2008 Markdowns

Asset Class	Position names	Mark down (\$mn)	Comment
Bridge Equity	Archstone	(200)	Mark down to reflect market weakness as evidenced by: (i) buyers walked away from \$1bn of asset sales; (ii) increase in cap rate (widened exit cap rates by 50 bps); (iii) increased premium to investors until company is delevered through asset sales; (iv) no current cash on cash return for equity investors, and (v) liquidity. [Private equity took another \$50mn markdown on their \$250mn permanent equity]
Junior Notes (Mezz/ B-Notes)	Various	(16)	Marks required as a result of Feb-08 pricing review, mainly to account for widening of spreads
PTG	Mammoth Crossing	(9)	Mezz and equity investment in a land development entitlement play. LB walking away from deal.
Floating Rate Whole Loans / Mezz	Hilton	(8)	Term sheet with GE to sell \$1.3 billion of senior loan at Libor + 298 bps; spreads were widened across all the tranches
<i>US Total</i>		<i>(233)</i>	
Europe		(29)	
Asia		(6)	
<b>GREG Total</b>		<b>(268)</b>	

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# April / May 2008 Markdowns – Bridge Equity (\$120mn)

Bridge Investment	Type	Face	Mark	Basis	With DEBT FLEX <sup>(1)</sup>		Hold Period	Forecast Writedown	Comment
					Projected IRR @ Basis	+50bps Exit Cap Rate			
TishmanDC	Portfolio	\$110,282,000	92.00%	\$101,459,440	14.95%	11.73%	1-9 yrs	-	
1745 Broadway	Single-asset	\$14,798,000	95.00%	\$14,058,100	16.65%	14.77%	9 yrs	-	
One Orlando	Single-asset	\$24,859,000	89.97%	\$22,364,655	19.15%	17.75%	9 yrs	-	
Rosslyn Portfolio	Portfolio	\$310,000,000	92.38%	\$286,372,200	21.64%	18.94%	2-10 yrs	(32,000,000)	Impact of price flex on debt
200 Fifth Avenue	Single-asset	\$194,800,000	96.75%	\$188,470,227	31.41%	17.39%	3 yrs	-	Received a bid for \$150mn at par plus carry
TPG Austin Portfolio	Portfolio	\$147,500,000	89.90%	\$132,597,330	21.10%	17.38%	3-9 yrs	(44,000,000)	Impact of price flex on debt
<b>Total Office</b>		<b>\$802,239,000</b>	<b>92.91%</b>	<b>\$745,321,952</b>				<b>(\$76,000,000)</b>	
Prologis NAIF3	Portfolio	\$574,400,000	86.42%	\$496,424,019	11.20%	9.00%	8 yrs	(30,000,000)	Marking to a 10% yield & 50bps increase in exit cap rates. Deal has a 5% cash on cash return
Archstone	Portfolio	\$2,142,020,000	79.95%	\$1,712,484,880	20.55%	18.18%	1-7 yrs	-	
Other								(14,000,000)	
<b>TOTAL BRIDGE EQUITY U.S.</b>		<b>\$3,518,659,000</b>	<b>83.96%</b>	<b>\$2,954,230,851</b>				<b>(120,000,000)</b>	
<b>Other Short-Term Hold Positions</b>									
LB DI LLC		\$16,724,000	98.01%	\$16,391,351					
LB 425 Park Ave LLC		\$69,472,000	97.61%	\$67,809,053					
1211 6th Avenue LB Syndication		\$56,467,000	99.00%	\$55,902,607					
LB Atlanta Area Portfolio Partner LP		\$73,067,000	89.68%	\$65,529,513					
LB Atlanta Area - One Alliance		\$6,610,000	54.61%	\$3,609,818					
237 Park Avenue LB Syndication Partner I		\$58,175,000	10.05%	\$5,848,000					
200 Fifth Ave LB Syndication Partner LLC		\$22,500,000	96.75%	\$21,768,892					
LB Atlanta Area - Two Alliance		\$2,418,000	100.00%	\$2,418,000					
<b>TOTAL OTHER EQUITY U.S.</b>		<b>\$305,433,000</b>	<b>78.34%</b>	<b>\$239,277,234</b>					
<b>TOTAL BRIDGE/OTHER EQUITY U.S.</b>		<b>\$3,824,092,000</b>	<b>83.51%</b>	<b>\$3,193,508,086</b>					

(1) Flex exercised on Austin and Rosslyn:

Rosslyn: Approx. \$32mn paid by Venture to reimburse LB for discount on mezz (8.75% yield).

Austin: Approx. \$44mn paid by Venture to reimburse LB for discount on mezz (8.75% yield).

# April / May 2008 Markdowns – B-Notes/ Mezz (\$200mn)

## Two Approaches

### 1) Implied Loss on Assets Currently Being Marketed

- There are currently about \$800mn (or 17% of the asset class) of floating and fixed rate loans that are either circled or committed. The selling prices on these loans is approximately 5% lower than the current carrying basis, implying a write-down of approx. \$245mn across the portfolio.

	Legal Balance	Mark	Basis	Comment
Current Balances	6,283	94.3	5,926	
Adjustments				
Beacon III			(114)	Amounts from the recap of 237 Park will be utilized to markdown position
Hilton	(468)	92.9	(436)	Marked appropriately based on recent sale of senior piece to GE (Not yet closed, but GE has a board approval)
Rosslyn	(258)	96.0	(247)	Full price flex
Archstone	(492)	99.0	(487)	Full price flex
Adjusted Balances	5,065	91.6	4,642	
Estimated P&L on Assets being Marketed				-5.3% See next page for details
Potential Write-down			(245)	
Basis and Mark post Write-down	5,065	86.8	4,397	

### 2) Expected Levered Return to Buyers

- The recent marketing effort showed that many investors interested in buying these loans are generally looking for returns in the high teens to low 20s. To enable investors achieve those return levels, LB will have to provide leverage (with full recourse) of around 70%. *(Please see next page for details of current leverage requirements on circled and committed deals)*
- Current mark implies levered (70%) and unlevered returns of a 16.7% and 8%, respectively, to investors.

Required Return	Expected Markdowns (\$mn)
18%	96
19%	156
<b>20%</b>	<b>212</b>

Required Return	Expected Markdowns (\$mn)
21%	269
22%	327
23%	379

# April / May 2008 Markdowns – B-Notes/ Mezz (\$200mn)

## Loans Being Marketed

Beacon Fund II - Broadway	Mezz	ARM	1/6/2009	97.6	94.8	75,000,000	73,230,552	(2,130,552)	Circled	Y	65%
Beacon Fund II - Citigroup Center	Second	ARM	1/1/2012	93.6	85.0	54,756,158	51,248,011	(4,705,277)	Circled	Y	80%
John Hancock Center	Mezz	ARM	2/9/2012	87.7	82.0	98,000,000	85,939,806	(5,579,806)	Circled	Y	67%
125 High Street	Mezz	FRM	8/11/2011	92.2	95.6	55,000,000	50,729,764	1,850,635	Circled	Y	70%
Tishman DC 7 Year	Mezz	FRM	1/11/2014	94.1	82.6	58,534,465	55,088,501	(6,737,794)	Circled	N	
One Federal Street	Mezz	FRM	6/11/2016	96.5	94.8	27,500,000	26,536,946	(470,546)	Circled	Y	70%
Crescent Portfolio - Park Hyatt Beaver Creek	Mezz	ARM	6/9/2012	88.7	90.0	27,737,434	24,595,654	368,037	Circled	Y	75%
Project Gator - Normandy Office Portfolio	Mezz	ARM	12/9/2011	92.1	85.0	42,800,000	39,423,771	(3,043,771)	Circled	Y	65%
Project Elevation	Mezz	ARM	5/9/2012	89.6	85.5	117,155,000	104,919,140	(4,703,927)	Circled	Y	65% - 75%
Rossllyn	Second	FRM	6/11/2017	95.3	84.9	35,000,000	33,338,170	(3,630,359)	Circled	N	
Rossllyn	Second	FRM	6/11/2017	95.3	84.9	35,000,000	33,338,170	(3,630,359)	Circled	N	
EOP - Research Park Plaza	Mezz	ARM	6/9/2012	93.4	81.5	27,940,000	26,095,035	(3,323,935)	Circled	N	
EOP - Stonebridge II	Mezz	ARM	6/9/2012	93.4	85.0	17,700,000	16,525,132	(1,480,132)	Circled	N	
Park Hyatt Houston	Mezz	ARM	11/9/2011	90.2	84.8	29,700,000	26,803,146	(1,606,640)	Bid In Hand	Y	75%
Beacon Fund II - 10 Universal City Plaza	Second	ARM	1/9/2012	94.2	92.4	80,580,500	75,934,675	(1,478,293)	Committed	Y	80%
Continental Grand I	Mezz	ARM	12/6/2011	94.0	87.4	28,600,000	26,896,761	(1,886,938)	Committed	Y	70%
Kellogg Building	First / Mezz	ARM	4/9/2012	90.9	90.3	24,156,975	21,962,901	(161,231)	Committed	N	
Stanford Place I	First / Mezz	ARM	4/9/2012	90.2	90.3	34,693,025	31,309,165	1,290	Committed	N	
						869,853,557	803,915,301	(42,349,599)			
						Loss from Sale as a % of Basis		-5.3%			

# April / May 2008 Markdowns – PTG (\$200mn)

•Markdowns mainly driven by weakness in the residential market

Position Name	Legal Bal. (3/31/08)	Mark	Basis (3/31/08)	Potential MTM Adj	Comment
Spring Mountain Ranch Mezz	57.22	100.00	57.22	(57)	Property is 785 acres of vacant land in Riverside County, CA. Property was under contract with First Industrial for \$300mn, which would have resulted in over \$100mn of net proceeds to Lehman. Position was marked up to current level in anticipation of this sale. However, after engineering studies and due diligence, buyer has come back with a \$84M retrade plus reimbursements from the city for infrastructure development (estimated to be up to \$50mn). This offer is below the the current balance of the \$140mn senior loan). Cover bid not likely to come in much better. LB to walk away from deal.
Indiantown	48.20	98.16	47.31	(30)	Indiantown is a 2,250 lot residential development site in Indiantown, Martin County, FL, just north of Palm Beach. Due to oversupply of unsold paper lots in the area, the original business plan is no longer economically feasible. CBRE & Cushman estimate lot values between \$6,000 and \$8,000. LB basis is \$21,000 per lot. The borrower is now looking to market the land for commercial uses.
Whitworth Estate Senior	41.48	98.00	40.65	(22)	Collateral is 154 acres of raw land located in Delray Beach, FL which is currently entitled for 380 single family home sites. There is 30 months of existing supply in St. Lucie and Martin County.
Commons of McLean	175.38	87.29	153.09	(20)	The collateral consists of 23 multifamily buildings located in McLean, VA. The business plan was to improve the density of the project and redevelop the buildings, which was contingent upon the extension of Metro line to the site. The FTA has denied final design plan approval and consequent funding needed to complete the Metrorail extension. Sponsor now looking for equity partner and offer us a DPO. If that fails, LB will foreclose at loan maturity in 8/08. <i>[Revised mark assumes the 577 units sold at approx. \$230k based on comp sales]</i>
Boulder Springs Mezz	31.15	91.33	28.45	(20)	Collateral is a 658-acre, 5000 lot raw land developemnt in Riverside County, CA currently going through the entitlement process. The sponsor (Troxler) understands that their equity is under water. Markdown results from revaluation of yield as a result of the slowness in market absorption.
Petrini Bakersfield	54.49	99.52	54.23	(15)	Collateral is 1,810 acres of land located in Bakerfield, CA. McAllister Ranch, adjacent to the subject, has 6,000 lots with infrastructure developed already. Due to the deterioration in the residential market this position in being marked to a 20% yield.
Troxler 34 (Marina Lofts)	24.90	39.12	9.74	(6)	LB recently accepted \$4mn offer for its partnership interest.
Various				(30)	
				(200)	

# CMBS Cash Bonds

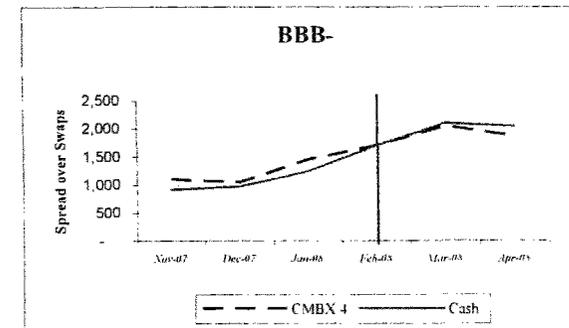
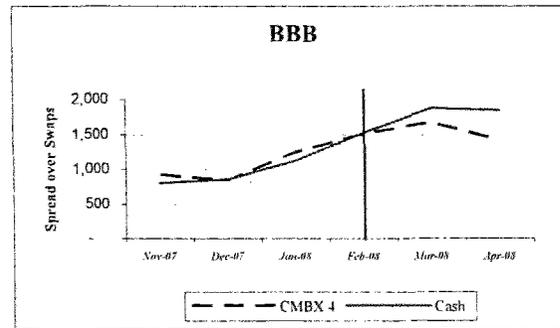
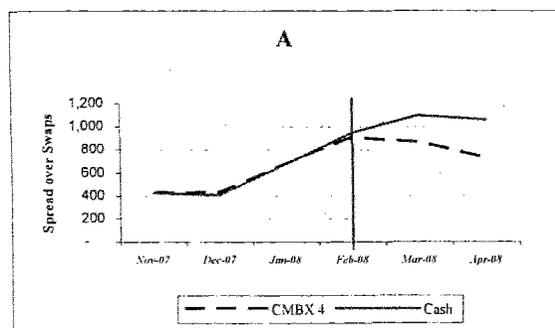
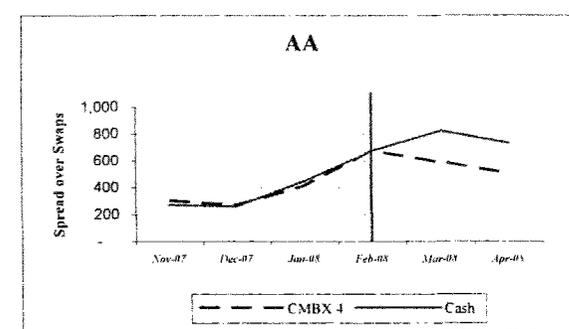
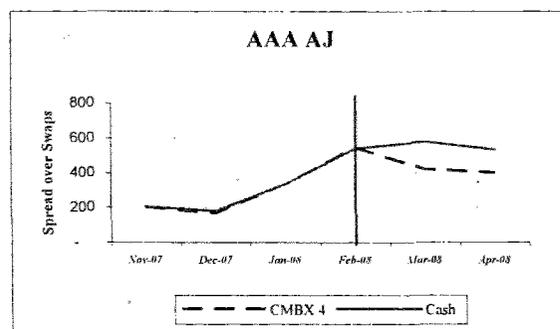
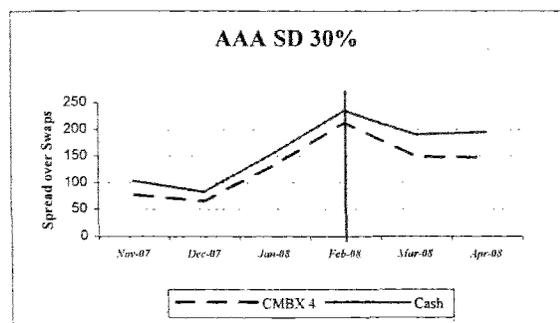
Generally, we are marked closer or wider than CMBX

	Notional (04/09/08)	Mark	Mkt Value (04/09/08)	Current Mark Spreads	CMBX 4	New Issue Cash Spreads	All CMBX Series 1 - 4	Potential Markdowns	Comments
<b>Fixed Rate Bonds</b>									
AAA	129	77.6	100	200 - 500	146	195 - 325	101 - 146		\$70mn (or 70%) from 2007 vintage
AA	71	76.3	55	575 - 625	507	650 - 825	288 - 507		\$38mn (or 70%) from 2007 vintage; priced b/n CMBX & Cash spreads
A	251	69.4	174	650 - 925	732	975 - 1225	357 - 732		\$111mn (or 64%) from 2006 vintage; priced b/n CMBX & Cash spreads
BBB	267	59.1	157	975 - 1450	1426	1725 - 2050	574 - 1,877		CMBX BBB-: 709 - 1,877 // New issue cash BBB- @ 2050
Non IG	7	68.7	5						\$99mn (or 63% of FXD BBBs) rated BBB+ / BBB
<i>Total Fixed Rate Bonds</i>	<i>724</i>	<i>67.7</i>	<i>491</i>						\$104mn (or 66% of FXD BBBs) from 2007 vintage
<b>Floating Rate Bonds</b>									
2007-LLFA C5 AAA (A1)	118	90.0	106	325					\$307mn of A1 sold @ 325 on 3/14
2007-LLFA C5 AAA (A2)	386	86.6	334	400					Spread widened from 290 to 400 upon sale of A1
2007-LLFA C5 AAA (A3)	25	85.8	22	425					Spread widened from 325 to 425 upon sale of A1
AAA	38	92.6	35	210 - 325					
AA	60	90.4	54	285 - 450					
A	30	87.3	26	225 - 485					
BBB+	22	86.7	19	300 - 550					\$16mn (or 84% of FLT BBB+s) from 2007 vintage
BBB	79	88.0	70	325 - 575					\$58mn (or 83% of FLT BBBs) from 2007 vintage; MTM adj. (2) to reflect WA spreads from 516 to 613
BBB-	118	89.7	106	350 - 625					\$106mn (or 100% of FLT BBB-s) from 2007 vintage; MTM (8) adj to reflect WA spreads from 462 to 685
Non IG	5	90.4	4						
<i>Total Floating Rate Bonds</i>	<i>881</i>	<i>88.1</i>	<i>777</i>						(10)
<b>IO's</b>									
Fixed AAA	26,407	1.6	413	500 - 900					Stress scenario assuming widening of spreads by 100 bps (15) from current levels
Floating AAA	5,674	0.0	0						
<b>Total</b>	<b>33,686</b>		<b>1,680</b>						<b>(25)</b>

# CMBS vs. CMBX Spreads

CMBS spreads have rallied in since the beginning of April, but is not accompanied by cash spreads

	AAA SD 30%		AAA AJ		AA		A		BBB		BBB-	
	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash	CMBX 4	Cash
11/30/07	77	103	204	205	304	270	432	425	928	800	1,112	925
12/31/07	65	83	168	180	269	260	432	410	842	860	1,052	975
01/31/08	133	156	333	335	413	450	680	675	1,245	1125	1,455	1250
02/29/08	212	235	547	540	676	675	912	950	1,515	1525	1,707	1700
03/31/08	150	190	421	580	593	825	871	1100	1,671	1875	2,049	2100
04/09/08	146	195	401	535	507	735	732	1065	1,426	1850	1,877	2050



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# Europe

## Europe

### Summary of Exited Positions

\$'s in millions

Deal	Exit Route	Lien	Country	Total Position	Mark pre Exit	Exited	Exiting Mark	Comments
Vintners	Syndicated	Senior	UK	230	97.77	(80)	98.41	Balance to exit by end of April
IZD	Syndicated	Senior	AUS	233	98.65	(118)	98.78	Balance to exit by end of April
Cameron	Paid Down	Senior	GER	250	97.05	(250)	100.00	Exited
Beta	Syndicated	Mezz	IT	306	99.13	(306)	100.00	Exited
Teodora	Syndicated	Mezz	IT	186	95.79	(186)	100.00	Exited
Devonshire House	Sold	Bridge Eq	UK	178	100.00	(36)	100.00	Partial Exit
Kamppi	Sold	Equity	FIN	19	100.00	(19)	200.00	Exited

# Appendices

# RE Americas: PTG Potential Write-downs

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
UC34	Spring Mountain Ranch Mezz	57.2	100.0	57.2	(57.2)	Property is 785 acres of vacant land in Riverside County, CA. Property was under contract with First Industrial for \$300mn, which would have resulted in over \$100mn of net proceeds to Lehman. Position was marked up to current level in anticipation of this sale. However, after engineering studies and due diligence, buyer has come back with a \$84M retrade plus reimbursements from the city for infrastructure development (estimated to be up to \$50mn). This offer is below the current balance of the \$140mn senior loan). Cover bid not likely to come in much better. LB to walk away from deal.
WE170	Indiantown	48.6	97.8	47.5	(30.0)	Indiantown is a 2,250 lot residential development site in Indiantown, Martin County, FL just north of Palm Beach. Due to oversupply of unsold paper lots in the area, the original business plan is no longer economically feasible. CBRE & Cushman estimate lot values between \$6,000 and \$8,000. LB basis is \$21,000 per lot. The borrower is now looking to market the land for commercial uses.
WH4689	Whitworth Estate Senior	42.0	97.1	40.8	(28.0)	Collateral is 154 acres of raw land located in Delray Beach, FL which is currently entitled for 380 single family home sites. There is 30 months of existing supply in St. Lucie and Martin County.
Various	Various PCCP Land Positions (marked >85)	184.2	97.9	180.3	(23.0)	Assuming marking down to 85
VB42	Boulder Springs Mezz	31.1	91.3	28.4	(20.0)	Collateral is a 658-acre, 5000 lot raw land development in Riverside County, CA currently going through the entitlement process. The sponsor (Troxler) understands that their equity is under water. Markdown results from revaluation of yield as a result of the slowness in market absorption.
VU97	Petrini Bakersfield	54.8	99.0	54.2	(20.0)	Collateral is 1,810 acres of land located in Bakerfield, CA. McAllister Ranch, adjacent to the subject, has 6,000 lots with infrastructure developed already. Due to the deterioration in the residential market this position is being marked to a 20% yield.
WH5712	Orlando Assets Acquisitions	197.0	75.6	148.8	(18.0)	Per Trimont, there is an outside-IRR value estimation done by the AM that brings the total current value to \$115.75 mil based on a 3 year DCF discounted at 7.5%. CV has dropped from \$152.7 mil from the prior month. Multifamily property in Orlando, Florida.
SR38	Maple Stephenson	1.0	100.0	1.0	(15.0)	The collateral consists of 266,930 sq ft office building located in Troy, Michigan. Currently the portfolio has a senior lien from Pac Life which matures on June 30, 2008 which they have indicated they will not extend. LB has a takeout commitment on the Pac Life loan, and will fund \$41.25M under this commitment due to Pac Life's unwillingness to extend. Property is currently valued at \$20M.
VY03	Crossings at Otay Ranch	11.1	100.6	11.1	(10.0)	168 unit condo conversions project. 57 units sold to date at an average price of \$370k per unit. Project facing competition from new constructions; pricing reduced to \$235k per unit; Last unit closed in August 2006.
VK93	Teachers Senior Loan	54.2	89.8	48.6	(10.0)	This portfolio consists of two, Class B office buildings in Southfield, Michigan, Travelers I and II. Current occupancy as of February 29, 2008 is 67% at Travelers I and 0% at Travelers II. The previous tenant, Collins & Aikman, exercised their termination right on 11/30/07, causing the building to become vacant. Early in 2007, Jones Lang LaSalle marketed Travelers I & II for sale. Offers were made in the \$60/ SF range; however Lehman rejected and took the buildings off of the market. Lehman owns Traveler's I and II 100%. CV based on a 10 yr DCF. CV has dropped to \$31.9mm from \$45.79mm in March-08. Trimont models were updated based on the decline in the Detroit market rent rates and rent growth rates. Kojaian may buy us out.

# RE Americas: PTG Potential Write-downs (Cont'd)

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
WE126	Skyline at MacArthur Place	29.7	30.7	9.1	(9.1)	349 unit ground up condominium development located in Santa Ana, CA. Sales office opened in July 2007. Currently there are 16 units under contract at prices 5% below underwriting. Per Trimont there is no sales velocity.
WH4747	Berdugo Loan	9.1	100.0	9.1	(9.1)	Personal loan to Elliot Berdugo to fund shortfalls on three of the borrowers deals with LB. Borrower recently passed away, and LB is foreclosing on the existing deals. Current value of the deals is insufficient to pay off this loan.
UC97	Troxler - Little Tokyo (Equity)	20.5	100.0	20.5	(6.0)	130 unit condominium project located in downtown Los Angeles, CA. Due to construction delays in obtaining a certificate of occupancy closings were significantly delayed. Due to the current credit crunch buyers are unable to secure financing. Originally there were 116 pre-sold units. Currently there are 80 sold units with 69 closed. Pricing based upon Trimont's IRR model to a 20% yield.
VL62	Troxler 23 (Equity)	11.5	55.7	6.4	(6.0)	The properties consist of 1,160 acres of raw land located in Casa Grande, AZ. Remaining at risk balance represents the equity on the second property Casa Grande II. Trimont believes that this property is worthless if we were to sell today.
VE78	Troxler 34 (Marina Lofts)	24.9	39.1	9.7	(5.0)	LB recently accepted \$4mn offer for its partnership interest.
SJ42	Alpha tech	6.3	76.8	4.8	(4.0)	The subject is a 20.3 acre parcel of vacant land in Wixom, MI. The property has site plan approval for five R&D/office buildings totaling 216,500sf to be developed. Currently the property has a senior lien from Pac Life which matures on June 30, 2008 which they have indicated they will not extend. LB has a takeout commitment on the Pac Life loan. Property is currently valued at \$2M.
WE68	Lecraw Portfolio (Equity)	14.8	100.0	14.8	(4.0)	Collateral consists of 8 garden style apartment communities totaling 3,232 units located throughout various submarkets or Atlanta, GA. Portfolio has not been performing as underwritten. Sponsor is having difficulty increasing occupancy, and obtaining the expected underwritten rent increases from the renovations completed to date. Additionally, cap rates on multifamily assets have increased since origination.
SU34	Kojaian-Bloomfield Open Hunt	14.3	59.8	8.5	(4.0)	The property is a 29.06 acre parcel of land in Bloomfield Hills, MI that has been sub-divided into 27 single family home sites. Per update, 4 lots have sold and 4 are ready for sale. Of the original 27 lots, 3 have been released from the collateral to Kojaian for the construction of new homes and have sold, 1 vacant lot has sold, 4 lots have new homes constructed, (one of which has sold) and the remaining 3 are ready for sale. The houses are being marketed for prices from \$2.495MM to \$2.995MM. Lehman has a 49% equity interest in the ownership entity. Maturity date has been extended to 6-29-08. CV of \$6.37 mil based on sellout calc. Kojaian may buy us out.
WC92	Spring Creek Investors (Equity)	8.4	96.5	8.1	(4.0)	1,180 unit garden style apartment community in Sandy Springs, GA. Sponsor is having difficulty executing the business plan within budget, and is experiencing cost overruns on planned renovations. Additionally, renovation performed to date have not yielded the expected underwritten rent increases from renovations completed to date.
UG45	La Paloma Bridge	6.4	83.7	5.3	(3.8)	The property is a 20.3-acre vacant land parcel located in the town of Wildomar, which is part of California's Inland Empire. The project is divided into five phases; Market continues to be tough with many public builders cutting prices to move inventory in the area causing decrease absorption. CV of \$20.67 is based on sellout calc. LB probably going to try to sell position or walk away from collateral. Equity already wrote off.

# RE Americas: PTG Potential Write-downs (Cont'd)

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
WH1747	VILLAGE OAKS B NOTE WHOLE LOAN	12.1	40.4	4.9	(3.6)	Village Oaks consists of nine, three-story residential buildings containing 234 units located in Tampa, Florida. Subject was built as a rental apartment community situated on 11.92 acres, but is a condo conversion deal. To date, 19 units (8%) have closed and 215 units (92%) remain unsold. Trimont created a new business plan for the property based on the value of this property. Currently, TriMont plans to foreclose, appoint a Receiver and list the property with Cushman & Wakefield. CV is \$18.5mm. There is a senior lien of \$17.23mm. Per Trimont, current value is calculated from the estimated net revenue to be received from the bulk sale of the remaining 215 units, which are valued at \$86K each. This value is not currently being discounted in the export. According to IRR model A-note will be paid in full and \$1.17mm of proceeds will be applied to the B-note.
VN60	Altos de Miami Mezz.	7.2	127.2	9.1	(3.0)	Altos de Miami is in the Cuban/American neighborhood of Little Havana. The project is a 16 story mixed-use development with 131 residential units averaging 967 sf, and 9,500 sf of ground floor retail. To-date, 72 units have closed with total gross proceeds of \$13.6MM. There are 5 units under contract totaling \$1.45MM (gross). The senior loan with iStar and the Lehman mezz loan matured on 4/1/07 (original maturity date). Both loans have been extended several times. The iStar loan and the Lehman Mezz loan has been extended for 90-days with a maturity date of May 1, 2008. In order to extend the loan, Lehman paid \$165,220 for reserves and fees via protective advance. The Lehman loan was extended by a Forbearance Agreement co-terminus with the iStar maturity date. The Borrower purchased the commercial space for \$2.3MM (gross) in March 2008. Per discussion with the business LB will probably close on the equity piece. CV based on sellout calc. Approx \$6 mil senior debt ahead of LB. Will probably foreclose on equity.
VV60	Troxler 32 (Equity)	4.9	100.0	4.9	(3.0)	Property consists of 12.87 acres of land located in Palm Springs, CA. Due to development restrictions placed on this parcel by the city of Palm Springs we were hoping to swap it with the town for a different parcel. Trimont currently thinks the value of the land to be \$1.5M.
UG05	Imperial Worthington (Equity)	3.2	100.0	3.2	(3.0)	157 acres of vacant land entitled for 597 single family lots located in the city of Imperial, CA. LB to walk away from deal.
SS96	Milford West	11.2	91.6	10.2	(2.2)	This development is located across the street from another Kojaiian retail project, Milford Rd. East, which is approaching sellout (one parcel remaining). The Borrower hopes that the impending sellout of this neighboring project will lead to increased demand at Milford Rd. West. In an effort to attract buyers for the larger parcels, the asking price on lots 9, 10, & 11 was reduced from \$450K to \$400K/acre. Lots 4A, 4B, 5, & 8 are being marketed at \$900K each, while lots 6 & 7 are currently offered at \$950K due to their corner locations. As lot 1 offers the most desirable location of the remaining parcels, the asking price on that lot is currently \$1.75MM. Talks are continuing with both Kohl's and Target, who have expressed interest in parcels 9 and 10, respectively. Talks are also in progress with Tractor Supply Co., who the borrower/partner has offered a combination of 3 acres at \$1.3MM; however that price still may be too high for them to be able to work a deal. CV dropped to \$8 mil based on sell out calc. Kojaiian may buy us out.
WD65	Sutton Ranches	2.2	100.0	2.2	(2.2)	Property is currently a vacant 20-acre parcel of land located in Southwest Ranches, FL. Original business plan was to develop the land into 16 luxury homes. The business plan was revised to sell paper lots. Sponsor has been unable to sell lots. Senior debt matured on November 17, 2007. Sponsor has not been able to meet the requirements of the lender to extend the loan. Trimont believes position may need to be written off.
WH6431	New Dawn Nashville Portfolio (Equity)	15.6	100.0	15.6	(2.0)	Collateral consists of 5 multifamily properties totaling 1,593 units located in various locations in Tennessee. \$116.8M senior loan was securitized in December 2007. Property is also encumbered by \$32M of mezzanine debt. At origination the portfolio was appraised at \$142.5M. Portfolio has not been performing as underwritten, and cap rates on multifamily assets have risen since origination.

# RE Americas: PTG Potential Write-downs (Cont'd)

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
WE209	Scottsdale Technology Center	7.9	82.5	6.5	(2.0)	Scottsdale Technology Center consists is an existing suburban office project in three adjacent one story buildings, in the City of Scottsdale, Arizona. The property is currently 50% occupied. The Go-Daddy Inc. existing lease of 50,500 sf terminates in August 2008, but they are currently negotiating a 39 month renewal, which terms were assumed in valuation. Additionally, borrower is in early negotiations with Mobility Electronics. Property currently in the market for sale. CV of \$20.5 mil based on DCF. B of A has \$18 mil senior loan.
VX49	LB/L Capital Partners II	7.3	101.4	7.4	(2.0)	Venture consists of 4 separate projects to develop single family homes in northern California. LB to walk away from Vacaville. Markdown represents the at risk balance allocated to this project.
VT91	Troxler 29	14.2	35.1	5.0	(2.0)	LB and Troxler accepted \$4M buyout from Avanti.
WH5713	Vista Portfolio (Equity)	4.7	100.0	4.7	(1.0)	The properties consist of 3 multifamily assets totaling 696 units located in Hoover, AL. Properties have not been performing as underwritten. Outside pressure is being exerted on concessions by other operators. Marking to Trimont's most recent IRR model.
WE267	Archstone Woodlands	2.9	100.0	2.9	(1.0)	Property is a 644 unit garden style apartment community located in Smyrna, GA. Property currently 79% occupied. At origination property was acquired with 94% occupancy. Sponsor is having difficulty re-tenanting the property.
VW79	Elk Grove	2.2	100.0	2.2	(1.0)	Property is a 84,600 square foot commercial condominium development located in Elk Grove, CA. Construction has been deferred due to current market conditions and permits were pulled. If market does not improve venture will sell asset as is.
WH4595	LB Hillsboro	2.3	100.0	2.3	(1.0)	Properties consist of 36 commercial condominium units located in Portland, OR. Construction completed in March 2008. Of the 36 total units, two have closed, and one is in escrow, leaving 33 unsold units. Sponsor to decrease pricing significantly in attempt to increase sales velocity.
TY29	PCCP LB San Clemente LLC	16.2	50.6	8.2	(8.2)	
VQ81	PCCP LB Beckman Ranch LLC	1.2	100.0	1.2	(1.2)	
TM27Z	PCCP LB Fort Worth LLC	3.0	15.5	0.5	(0.5)	
TX10	PCCP LB Desert Apartments LLC	1.4	93.3	1.3	(1.3)	
					(326.3)	

# RE Americas: PTG Potential Write-downs (Cont'd)

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
<b>Tier II</b>						
WH8861	Greenwich Place Acquisition LLC	144.3	79.7	115.0	(15.0)	Greenwich Place, is a 266-unit multi-family development located in Greenwich, Connecticut. This property consists of 22.01 acres of land improved with thirty four buildings and supporting amenities. Until business plan is more clear can't rely by Trimont's value. CV is \$74.35mm which has dropped by \$38.51mm from \$112.86mm in the previous month. CV is based on the NPV of a 3 year hold period using an 8.33% discount rate. Strong leasing activity. Signed 13 leases last month.
WH8863	Greenwich Oaks Acquisition LLC	102.5	79.7	81.7	(5.0)	CV is \$59.76mm which has dropped by \$20.38mm from \$80.14mm in the previous month. CV is based on the NPV of a 3 year hold period using an 8.33% discount rate. Should not be valued as a multifamily and should be valued as a development property. Until business plan is more clear can't rely on Trimont's value
WB66	Urban River Partners	7.3	99.0	7.2	(2.0)	Collateral consists of a 4.2 acre parcel of land located in Miami, FL. The property is currently improved with three industrial buildings, and was originally to be developed into two condominium towers. Currently Trimont projects that the best use is for affordable housing. The loan is currently in default, and the borrower has not been able to secure funds to refinance the property or extend the loan. Currently we are moving forward with foreclosure.
WD87	Terrazas River Park Village	13.4	99.0	13.3	(5.0)	Collateral consists of a 324 unit condominium development located in Miami, FL. Currently 237 of the units are under contract (73%) at prices slightly below underwriting. The remaining units are the higher priced inventory located on higher floors. In April the senior lender sent an out of balance notice to the borrower, resulting from budget revisions sent by the borrower. The borrower is currently attempting to raise capital from additional investors to cover these cost overruns. Project is currently 8-10 weeks behind schedule.
WH9020	LB Whiteface Lodge LLC	36.0	74.3	26.8	(6.0)	Property is an 86 units five-star luxury resort and private residence club, offering 1/12 fractional ownership located in Lake Placid, NY. LB foreclosed on this asset in April.
VF79	Houston Apartments	11.7	79.3	9.3	(4.0)	Collateral consists of 3 Class B garden style multifamily properties totaling 1,151 units located in Houston, TX. As of February occupancy was at 81.13%. DSCR is 0.52.
UC01	Monument Realty Line	43.5	83.7	36.4	(5.0)	The Line of Credit is secured by pledges of Monument's interest in approximately 62 different Monument entities and 19 distinct assets located in Washington D.C. and Northern Virginia. The pledged entities are mostly Monument developments where Lehman has invested in the deal with the exception of two deals. Lehman investments may be from PTG, LLG or LBREP. Position is currently being revalued by Trimont.
TP67	LB 1200 Main Partner LLC	5.2	100.0	5.2	(5.2)	Property consists of a 283 condominium conversion located in Dallas, TX. Since closings began in May 2007, approximately 120 units have closed (41.81%) and 163 remain unsold.
VH34	222 Broadway	9.5	100.0	9.5	(2.0)	Collateral consists of a 134 unit condominium development situated on 88 acres located in Oakland, CA. Marketing commenced 2/1/08, with asking prices on the higher end for Oakland. Project currently in the 18th month of a 20 month duration.
VG52	Lake Merritt	15.9	64.7	10.3	(2.0)	Collateral consists of a 1.69 acre site currently improved with a surface parking lot located in Oakland, CA. The business plan is to develop the site into 281 condominium units. LB recently purchases the senior loan with 90% seller financing. Borrower has admitted to being out of the money on this deal, and has offered to give back the property.

# RE Americas: PTG Potential Write-downs (Cont'd)

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
VQ97	LB Bethesda 8400 LLC	8.7	96.7	8.4	(8.4)	The subject property is currently improved with a 164 room Clarion hotel. The land has been rezoned for the development of 194 luxury condominium units. The sales center opened in October 2006, and to date only 25 units have been sold. The borrower is currently attempting to secure a construction loan and several layers of mezzanine financing to develop the property. Both the senior loan and the LB mezz loan are currently in default and in informal forbearance.
SH16	LB Thunder Springs Inc & Direct	30.7	55.6	17.1	(6.0)	The project is a 63-unit luxury condominium development in Ketchum, Idaho. There is an additional development parcel (F Parcel) approved for 7 units and an additional parcel approved for 2 units (Fox Run). To date 59 units have closed and 4 units remain unsold.
WH6138	LB Prestige LLC	57.2	100.0	57.2	(5.0)	The Portfolio consists of 11 Assets, totaling 2,981 units and over 3.1 million square feet in various metropolitan markets throughout Florida including Orlando, Tampa, Sarasota, and Southeast Florida. Operations on a portfolio level have exceeded expectations in 2008 and LB has received two distributions totaling \$1.4MM in distributions for the year. Value of position is decreasing because of increasing required yields in the Florida market.
WH5927	LB 816 Congress LLC	23.2	97.7	22.6	(10.0)	The property is a 20 story, 430,113 net rentable square foot Class A-/B+ office building located in the downtown Austin, TX. Per Trimont's deal exit comment they are projecting an exit/stabilization date of 8/31/12 which is based upon a 45 month lease up and a 5 year hold per the partner's business plan. Exit comment is projecting an IRR of 0%.
Various	VCC Deals				(30.0)	VCC is on the verge of bankruptcy. LB currently formulating a strategy to dispose of entire portfolio with this sponsor.
					<u>(110.6)</u>	
					<u>(436.9)</u>	

# RE Americas: PTG Potential Write-downs (Cont'd)

MTS	Position Name	Legal Bal. (4/30/08)	Mark	Basis (4/30/08)	Potential MTM Adj	Comment
VQ97	LB Bethesda 8400 LLC	8.7	96.7	8.4	(8.4)	The subject property is currently improved with a 164 room Clarion hotel. The land has been rezoned for the development of 194 luxury condominium units. The sales center opened in October 2006, and to date only 25 units have been sold. The borrower is currently attempting to secure a construction loan and several layers of mezzanine financing to develop the property. Both the senior loan and the LB mezz loan are currently in default and in informal forbearance.
SH16	LB Thunder Springs Inc & Direct	30.7	55.6	17.1	(6.0)	The project is a 63-unit luxury condominium development in Ketchum, Idaho. There is an additional development parcel (F Parcel) approved for 7 units and an additional parcel approved for 2 units (Fox Run). To date 59 units have closed and 4 units remain unsold.
WH6138	LB Prestige LLC	57.2	100.0	57.2	(5.0)	The Portfolio consists of 11 Assets, totaling 2,981 units and over 3.1 million square feet in various metropolitan markets throughout Florida including Orlando, Tampa, Sarasota, and Southeast Florida. Operations on a portfolio level have exceeded expectations in 2008 and LB has received two distributions totaling \$1.4MM in distributions for the year. Value of position is decreasing because of increasing required yields in the Florida market.
WH5927	LB 816 Congress LLC	23.2	97.7	22.6	(10.0)	The property is a 20 story, 430,113 net rentable square foot Class A-/B+ office building located in the downtown Austin, TX. Per Trimont's deal exit comment they are projecting an exit/stabilization date of 8/31/12 which is based upon a 45 month lease up and a 5 year hold per the partner's business plan. Exit comment is projecting an IRR of 0%.
Various	VCC Deals				(30.0)	VCC is on the verge of bankruptcy, LB currently formulating a strategy to dispose of entire portfolio with this sponsor.
					<u>(110.6)</u>	
					<u>(436.9)</u>	

# RE Americas: Commercial Potential Write-downs

## Floating Rate Large Loans

Asset Name	Product Type	Property Type	O/S Bal	Basis	Coupon	Desk Spread (Over Libor)	Circled / PC Spread (Over Libor)	Circled / PC Discount Rate	PC Price	Desk Price	PC Pricing Variance	Comment
816 CONGRESS	FIRST/MEZZ	OFFICE	74.41	71.81	4.53%	276	811	10.64%	75.52	96.51	(15.62)	As of May 08, there was a bid in hand on this position by Granite at 811 DM.
SOUTHWEST CORPORATE CENTER	FIRST/MEZZ	OFFICE	50.04	46.85	4.63%	378	537	7.90%	88.04	93.63	(2.80)	
RETREAT AT SPEEDWAY	FIRST/MEZZ	INDUST	31.78	31.27	5.53%	376	692	9.45%	92.10	98.40	(2.00)	
											(20.42)	

## Floating Rate Junior Notes

Asset Name	Product Type	Rate Type	Property Type	Legal Balance	Mark	Basis	Coupon	Spread (Over Libor)	Spread (Over Libor)	PC Price	Desk Price	Pricing Variance	Comment
CALWEST	MEZZ FLT	ARM	INDUST	131.35	89.21	117.18	4.82%	540	750	82.63	89.21	(8.65)	The loan is secured by a portfolio of 97 industrial properties known as CalWest Portfolio which was co-originated with Barclays Capital Real Estate (50%) and Goldman Sachs (25%). \$275mm of senior loan was securitized in LBFRC C5 and \$205.75mm was syndicated. \$8.35mm markdown taken in Jan08. Is 540 DM still reasonable?
BRADFORD SUITES MEZZ WHOLE LOA	MEZZ FLT	ARM	HOTEL	36.18	96.40	34.87	4.43%	325	863	83.35	96.40	(4.72)	Sr note (\$48mm) securitized in LBFRC C5. DSCR of 2.87. The loan is secured by a portfolio of six hotels in CO and TX that will be rebranded as Summerfield Suites. Currently the properties are in the process of being sold and upon sale, the loan will be paid off. As of May08, there is a bid in hand by Och-Ziff/Starwood/Investcorp at 863 DM.
AVALON AT SEVEN HILLS B2 WHOLE	B-NOTES	ARM	MULTI	3.61	92.49	3.34	12.06%	2,428	1,642	96.40	92.49	(3.34)	\$33.2mm securitized in LBUBS 2006-CCL C2 and 57mm B1 syndicated to Vertical Cap. B1 expected to be sold and LB not expected to receive any principal back due to lack of condo sales activity.
CRESCENT - VENTANA	MEZZ FLT	ARM	HOTEL	28.78	90.73	26.11	4.47%	457	805	79.84	90.73	(3.13)	Sr note (\$26mm) securitized in LBFRC C5. DSCR of 2.64. \$1.04mm markdown taken in Jan08. Similar asset, Crescent Hotel portfolio Renaissance Marriott (62% to 79% leverage), is circled by JER at 805 DM.
PROJECT DEUCE 1888 CPE	B-NOTES	ARM	OFFICE	41.04	92.75	38.06	4.75%	447	690	85.54	92.75	(2.96)	Part of Project Deuce portfolio. The mortgage loan is secured by an office building in CA. \$41.12mm securitized in C5. \$1.56mm markdown taken in Jan08 on entire 1888 CPE positions. As of May 08, a similar asset and also a part of Project Deuce, Citigroup Center, has been circled at 690DM (71.4% LTV) by MSREF. It is reasonable to use 690 DM for this position.
SIENNA APARTMENTS MEZZ WHOLE L	MEZZ FLT	ARM	MULTI	24.74	99.00	24.49	7.28%	535	800	94.63	99.00	(1.08)	\$17.9mm securitized in C5. DSCR of 1.45 at origination. As of May 08, FNMA has shown interest in this position. Any indication of DM?
CONTINENTAL GRAND PLAZA II - M	MEZZ FLT	ARM	OFFICE	22.04	90.50	19.95	4.53%	460	600	85.82	90.50	(1.03)	The loan is secured by an office building in CA. Senior securitized in 2007-LLFA. As of 1/07, the property had DSCR of 2.48 and occupancy of 91%. As of May 08, a similar asset, Continental Grand I, is circled by JER at 600 DM.
1310 N COURTHOUSE MEZZ WHOLE L	MEZZ FLT	ARM	OFFICE	13.98	98.62	13.78	6.32%	420	600	92.80	98.62	(0.81)	Senior syndicated in May 2007.
											(22.39)		

# RE Americas: Commercial Potential Write-downs (Cont'd)

## Fixed Rate Junior Notes

Asset Name	Product Type	Property Type	Legal Balance	Mark	Basis	Coupon	Desk Spread (Over Swaps)	Circled / PC Spread (Over Swaps)	PC Price	Desk Price	Pricing Variance	Comment
237 PARK AVE ATRIUM MEZZ WHOLE	MEZZ FXD	OFFICE	225.00	78.11	175.76	6.17%	732	872	63.88	78.11	(32.03)	\$419.6mm securitized in C3. There is a partially offsetting gain in other 237 Park Ave bridge mezz positions. Position markdown to 77.97 a/o 5/8. As of May 08, this position is being marketed to Westbrook at a yield of 13% or S+872.
125 HIGH STREET MEZZ 3 WHOLE L	MEZZ FXD	OFFICE	55.00	93.91	51.65	7.45%	506	676	84.81	93.91	(5.00)	\$340mm was securitized in LBUBS 2006-C6 and \$134mm was syndicated. A trophy Boston office building prominently located in the city's Financial District. DSCR is 1.54 & occupancy is 84% based on the latest report financials. \$2.21mm markdown taken in Jan 08. As of May 08, the loan is circled by Captrust at a yield of 10.18% (S+676).
COURVOISIER MEZZ WHOLE LOAN	MEZZ FXD	OFFICE	58.42	88.03	51.43	5.71%	433	558	82.73	88.03	(3.10)	\$53.58mm securitized in C3. It is a trophy Class A, two-building, 335,000-square-foot mixed-use office property on exclusive Brickell Key in Miami, FL. The property has a DSCR of 2.08. \$740K markdown taken in Jan 08. As of May 08, there is a bid in hand by Prudential at a yield of 9.5% or S+558.
MCCANDLESS TOWERS MEZZ WHOLE L	MEZZ FXD	OFFICE	51.07	91.21	46.59	6.53%	550	738	85.34	91.21	(3.00)	Senior note (\$116.46 mil) securitized in C6. It is a 400K sq ft class A property in Sunnyvale, CA. The property has an occupancy of 95.5%. \$1.75mm markdown taken in Jan 08. As of May 08, this position is circled by Shorestein at a yield of 11% or S+738.
237 PARK AVE B NOTE WHOLE LOAN	MEZZ FXD	OFFICE	255.40	85.76	219.02	6.01%	572	412	84.91	85.76	(2.16)	\$419.6mm securitized in C3. There is a partially offsetting gain in other 237 Park Ave mezz positions. Position markdown to 85.6 a/o 5/8. As of May 08, this position has been circled by Prudential at a yield of 8.4% or S+412.
ONE FEDERAL INTERMEDIATE MEZZ	MEZZ FXD	OFFICE	27.50	98.25	27.02	8.41%	449	533	93.10	98.25	(1.42)	The mortgage loan is secured by a class A 1.12 million square foot office building in Boston. The senior loan (\$262mm) was securitized in LB-UBS 2006-C4, senior mezz (\$49mm) was sold to TIAA in November 2006 and intermediate mezz A (\$35mm) was sold to Helaba at S+105 in March 2007. \$720K markdown taken in Jan 08. As of May 08, it is circled by Captrust at a yield of 9.52% or S+533.
SBS TOWER B NOTE WHOLE LOAN	B-NOTES	OFFICE	7.00	95.43	6.68	8.19%	597	850	87.66	95.43	(47.25)	The mortgage loan is secured by an office building in Florida. \$29mm was securitized in (0.54) LBCMT 2007-C3. The property has 1.3x DSCR and 100% occupancy.

# GREG Q2 2008 Write-downs and P&L

\$ in millions	Mar-08			Apr-08			Thru May 22, 2008		
	Gross Writedowns	Hedge Gains/Loss	Net	Gross Writedowns	Hedge Gains/Loss	Net	Gross Writedowns	Hedge Gains/Loss	Net
<b>Americas Trading Book</b>	\$ (363)	\$ 43	\$ (320)	\$ (69)	\$ (93)	\$ (162)	\$ (103)	\$ (17)	\$ (120)
<b>Commercial</b>	\$ (354)	\$ 43	\$ (311)	\$ (51)	\$ (93)	\$ (144)	\$ (103)	\$ (17)	\$ (120)
<i>Position writedowns</i>	(224)	-	(224)	(39)	-	(39)	(91)	-	(91)
<i>ITraxx gains used to mark down positions</i>	(96)	96	-	-	-	-	-	-	-
<i>CMBX/DNS gains used to mark down positions</i>	(34)	34	-	(12)	12	-	(12)	12	-
<i>ITraxx hedge inefficiency losses</i>	-	(67)	(67)	-	(93)	(93)	-	(21)	(21)
<i>CMBX/DNS hedge inefficiency losses</i>	-	(20)	(20)	-	(12)	(12)	-	(8)	(8)
<b>PTG</b>	\$ (9)	\$ -	\$ (9)	\$ (18)	\$ -	\$ (18)	\$ -	\$ -	\$ -
Position writedowns	(9)	-	(9)	(18)	-	(18)	-	-	-
<b>Americas Hedging Book</b>	\$ 126	\$ (126)	\$ -	\$ 87	\$ (87)	\$ -	\$ 183	\$ (183)	\$ -
<i>Duration Neutral Swaps</i>	145	(145)	-	38	(38)	-	59	(59)	-
<i>CDX</i>	3	(3)	-	14	(14)	-	(0)	0	-
<i>CMBX</i>	(20)	20	-	37	(37)	-	119	(119)	-
<i>TRS</i>	(1)	1	-	(3)	3	-	5	(5)	-
<b>Total Americas</b>	\$ (237)	\$ (83)	\$ (320)	\$ 18	\$ (180)	\$ (162)	\$ 80	\$ (200)	\$ (120)
<b>Europe</b>	\$ (29)	\$ -	\$ (29)	\$ (18)	\$ -	\$ (18)	\$ -	\$ -	\$ -
<b>Asia</b>	\$ (6)	\$ -	\$ (6)	\$ 10	\$ -	\$ 10	\$ -	\$ -	\$ -
<b>Total Real Estate Write Downs</b>	\$ (272)	\$ (83)	\$ (355)	\$ 10	\$ (180)	\$ (171)	\$ 80	\$ (200)	\$ (120)
Run Rate			\$ 37			\$ (3)			\$ (6)
RE Advisory			\$ (274)			\$ 3			\$ -
<b>Total Real Estate Revenue</b>			\$ (592)			\$ (171)			\$ (126)
FID Corp Reimbursement			\$ 482			\$ 2			\$ 18
<b>Net Real Estate FID Revenue</b>			\$ (110)			\$ (169)			\$ (108)