

ASSET MANAGEMENT AGREEMENT

between

LAMCO LLC

and

LEHMAN BROTHERS HOLDINGS INC.

[_____], 2010

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ASSET MANAGEMENT AGREEMENT

THIS AGREEMENT (together with all appendices, schedules and annexes hereto, which are hereby deemed a part hereof, and as amended, modified or supplemented from time to time, this “Agreement”), is made as of the ___ day of _____, 2010, by and between: (i) Lehman Brothers Holdings Inc., a corporation organized under the laws of Delaware (the “Client”); and (ii) LAMCO LLC, a limited liability company organized under the laws of Delaware (hereinafter called the “Manager”). For purposes of this Agreement only, (a) neither the Manager nor any of its subsidiaries shall be deemed an affiliate of the Client, and (b) the Client shall not be deemed an affiliate of the Manager or any of its subsidiaries.

WITNESSETH:

WHEREAS, the Client is a debtor-in-possession under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”), and filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on September 15, 2008 in the United States Bankruptcy Court for the Southern District of New York (Manhattan) (the “Bankruptcy Court”) (Case No. 08-13555(3MP)) (the “Bankruptcy Case”);

THEREFORE, for and in consideration of the premises and of the mutual covenants herein contained, the parties hereby agree as follows:

1. Appointment and Status as Asset Manager. The Client hereby appoints the Manager to provide asset management and investment management services as further set forth in this Agreement and the Manager does hereby accept said appointment.
2. Management Services. (a) (i) The Manager shall be responsible for providing to the Client the investment management services set forth as an appendix hereto and as amended in accordance with the terms of this Agreement. Notwithstanding the foregoing, the parties shall use commercially reasonable efforts to prepare, within 90 days of the date of this Agreement, a client charter (the “Client Charter”), which shall identify the assets of the Client (the “Managed Assets”) and the investment management services to be provided by the Manager with respect to the specified asset classes (each, an “Asset Class”) to which the Client’s Managed Assets relate which services initially shall be substantially similar to those set forth in the applicable appendix hereto. For the avoidance of doubt, the Manager and the Client acknowledge that Managed Assets attributable to an Asset Class may be held by the Client or any of the entities listed on Schedule A, and as a result, the compensation and expenses payable by the Client to the Manager pursuant to the terms of this Agreement shall be internally allocated among the Client and the entities listed on Schedule A in accordance with the terms set forth in Appendix F of this Agreement. Following finalization of the Client Charter, the Manager shall provide to the Client the investment management services set forth therein in lieu of the investment management services set forth in the applicable appendix hereto. Any amendment, modification or change to the Client Charter or an appendix to this Agreement proposed to be made prior to the Termination Date (as defined below) shall require the prior approval of the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc., et al., which was appointed by the Office of the United States

Trustee on September 17, 2009, as revised or supplemented (the “Creditors’ Committee”). The “Termination Date” shall mean the date on which a chapter 11 plan of the Client becomes effective; provided, however, that in the event that such chapter 11 plan of the Client extends the rights of the Creditors’ Committee set forth herein beyond the date on which such chapter 11 plan of the Client becomes effective, then the Termination Date shall be deemed to be the date on which such rights of the Creditors’ Committee set forth herein expire pursuant to such chapter 11 plan of the Client. If there is insufficient evidence of, or defects in, the title and ownership of a Managed Asset by the Client and such insufficiency or defect (x) did not result from a breach by the Manager of its duties under this Agreement and (y) could not be cured through the commercially reasonable good faith and diligent efforts of the Manager (an “Untitled Asset”), the Manager may, in its discretion, continue to provide services pursuant to this Agreement in respect of such Untitled Asset, and, in such case, (A) the Manager shall still be entitled to reimbursement of expenses incurred to cure such defect, and the payment of management fees in respect of such Untitled Asset and (B) the Manager Indemnitees (defined below) shall be entitled to the indemnities and exculpatory provisions of Sections 13 and 14 of this Agreement, in each case of clauses (A) and (B) with respect to such Untitled Asset. Notwithstanding the foregoing, the Manager may elect not to continue to provide services in respect of an Untitled Asset if the related defect in title is not cured by the Client (or by the Manager at the direction of the Client) within 45 days following the delivery by the Manager to the Client of written notice specifying in reasonable detail (I) the defect in title respect of such Untitled Asset and (II) the Manager’s efforts to cure such defect in title, in which case, the Manager shall still be entitled to retain or receive fees earned for services previously rendered with respect to such Untitled Asset.

(ii) Subject to the Client’s Client Charter, including the “Protocols” with respect to the relevant Asset Class identified therein (the “Protocols”), the Manager may enter into, acquire, maintain, restructure or terminate any bona fide short sales, assets, contracts, instruments or other arrangements designed to hedge or reduce one or more risks associated with, or to perform under, a Managed Asset (“Bona Fide Hedging Transactions”); provided that any such Bona Fide Hedging Transactions entered into with respect to a Managed Asset owned by Lehman Brothers Holdings Inc. or the entities listed on Schedule A hereto shall be subject to the protocol set forth in the Bankruptcy Court’s March 11, 2009 order [Docket No. 3047].

(iii) Notwithstanding anything herein to the contrary, the rights granted to, obligations of and limitations on, the Manager in this Agreement shall not exceed the rights, obligations and limitations of the Client with respect to the Client’s Managed Assets. Notwithstanding anything herein to the contrary, the Manager shall not take any actions on behalf of the Client to the extent such actions would be inconsistent with the Client’s Client Charter, the Manager’s duties under this Agreement or its rights and obligations under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or orders of the Bankruptcy Court or protocols or understandings with the Creditors’ Committee.

(iv) Upon the receipt of any Current Income or Disposition Proceeds (each as defined below) from a Managed Asset of the Client within any Asset Class (A) the portion of such income or proceeds comprised of cash shall not be deemed part of such Asset Class and shall, on a daily basis (to the extent practical), be deposited into an account designated by the Client for the receipt of such cash income or proceeds (which account shall be under the control of the Client or, if appointed by the Client, its custodian) and shall not be a Managed Asset and (B) any non-cash income or proceeds from such Managed Asset shall remain a Managed Asset and shall be subject to the Client's Client Charter, including the Protocols set forth therein in respect of the relevant Asset Class, and the securities, instruments, assets or other interests comprising such non-cash income or proceeds shall be held in the same accounts and manner as the Managed Asset from which they were generated.

(v) For purposes of this Agreement, (A) "Current Income" shall mean interest, dividends and other income from Managed Assets other than Disposition Proceeds; (B) "Disposition Proceeds" shall mean all amounts (whether cash, securities, instruments, assets or other interests) received upon the Disposition of a Managed Asset; and (C) "Disposition" shall mean the sale, transfer, exchange, redemption, repayment, repurchase or other disposition of all or any portion of a Managed Asset for cash, securities, instruments, assets or other interests.

(vi) With respect to the services to be provided to the Client, the Manager shall discharge its responsibility for the investment, management and control of the Client's Managed Assets as a fiduciary and act in good faith solely in the best interest of the Client and shall do so with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would exercise under similar circumstances in like positions.

(b) *Authority and Delegation.* Subject to the Client's Client Charter, including the Protocols set forth therein with respect to each Asset Class, the Client hereby delegates to the Manager all of its powers, authority, privileges and rights with regard to the management, transfer, sale, disposition, refinancing or restructuring of the Managed Assets and any other transactions related thereto and hereby appoints the Manager as its agent in fact with full authority and at its discretion to so manage and effect any such transactions (including Bona Fide Hedging Transactions) involving the Managed Assets in the Client's name, on the Client's behalf and at the Client's risk as the Manager deems appropriate from time to time in order to carry out the Manager's responsibilities hereunder. Said powers, duties and responsibilities shall be exercised exclusively by the Manager pursuant to and in accordance with the provisions of this Agreement and the Client's Client Charter, including the Protocols set forth therein with respect to each Asset Class. In addition, subject to the Client's Client Charter and Section 2(a)(vi) above, the Manager shall provide prior written notice to the Client of any of the following matters requiring action and shall be authorized to take the following actions after giving such prior notice to the Client: (i) vote, tender or convert any securities or similar instruments comprising the Managed Assets of the Client; (ii) execute waivers, consents and other instruments with respect to such securities or similar instruments; and (iii) endorse, transfer or deliver such securities or similar instruments or to consent to any

class action, plan of reorganization, merger, combination, consolidation, liquidation or similar plan with reference to such securities or similar instruments. For the avoidance of any doubt, the Client retains all obligations (including future funding obligations) with respect to each Managed Asset as the record and beneficial owner thereof. The Manager shall not acquire any asset (other than a Bona Fide Hedging Transaction entered into in accordance with Section 2(a)(ii)), if the terms of such acquisition would impose a future funding obligation on the Client without the prior written consent of the Client. Unless the consent or approval of the Client is expressly required, the Manager may act in its discretion with respect to the Managed Assets. Notwithstanding anything in this Agreement to the contrary, the Manager may, with the Client's prior written approval and, in the case of any delegation outside of the ordinary course of business proposed to be made prior to the Termination Date, with the prior written approval of the Creditors' Committee, delegate any or all of its discretionary investment, advisory and other rights, powers, functions and obligations hereunder to any sub-adviser, which may be a third party or any affiliate of the Manager; provided that (i) each such delegation shall be (i) revocable by the Manager upon notice to the delegate and (ii) the Manager shall continue to be liable to the Client for the Manager's obligations hereunder and for all actions of any such third parties or affiliates to the same extent as the Manager is liable for its own actions hereunder. The Manager shall not incur sub-advisory fees without the written consent of the Client and, in the case of any delegation outside of the ordinary course of business proposed to be made prior to the Termination Date, without the prior written approval of the Creditors' Committee, in which case such fees shall be either (i) borne by the Client or (ii) incurred by the Manager and reimbursed by the Client.

(c) *Power of Attorney and Proxy.* The Client by executing this Agreement hereby irrevocably constitutes and appoints the Manager, with full power of substitution, the true and lawful attorney-in-fact, proxy and agent of the Client (and grants to the Manager the Client's full proxy, power and authority), to, subject to the Client Charter of the Client, including the Protocols with respect to the relevant Asset Class, (i) execute, vote, acknowledge, verify, swear to, deliver, record and file, in its or its assignee's name, place and stead, all agreements, instruments, documents and certificates and (ii) take any and all actions, in each case, that the Manager deems appropriate or necessary to enable the Manager to perform its services (including the Disposition, restructuring, refinancing, or funding of any Managed Asset) under this Agreement and deal in the Client's Managed Assets in accordance herewith. The power of attorney and proxy granted herein shall be deemed to be coupled with an interest, shall be irrevocable, shall survive and not be affected by the Bankruptcy Case or the dissolution, bankruptcy, incapacity or legal disability of the Client and its affiliates and shall extend to its successors and assigns. Any person dealing with the Manager may conclusively presume and rely upon the fact that any instrument referred to above, executed by such attorney-in-fact, proxy and agent, is authorized, regular and binding, without further inquiry. If required, the Client shall execute and deliver to the Manager within ten (10) business days after the receipt of a request therefor, such further designations, powers of attorney, proxies or other instruments as the Manager shall reasonably deem necessary for the purposes of giving effect to the foregoing power of attorney or enabling the Manager to perform its services under this Agreement.

- (d) *Further Assurances.* The Client agrees to inform the Manager, and the Manager agrees to inform the Client, promptly in writing if any representation, warranty or agreement made, or information supplied, by such party in this Agreement is no longer true, correct or complete or requires exception and/or modification to remain true; provided that any information provided pursuant to this provision which relates to a period after the date of this Agreement and which alters the accuracy of any representation or warranty contained in this Agreement shall not be considered a breach of such representation or warranty. The Client agrees to provide such information and execute and deliver such documents, instruments, certificates and opinions (including such documents, instruments, certificates and opinions that are required to allow the Manager to give instructions directly to any Third-Party Custodian (as defined below)) with respect to itself, all of its subsidiaries and any of its Managed Assets as the Manager may from time to time reasonably request to perform the services under this Agreement or to comply with any law, rule or regulation to which the Manager may be subject or for any other reasonable purpose.
3. Representations by Client. The Client hereby represents and warrants to, and agrees with, the Manager that, subject to the receipt of any necessary approvals of the Bankruptcy Court: (i) this Agreement has been duly authorized, executed and delivered by the Client and constitutes the Client's legal, valid and binding obligation and, without limitation, all transactions of any kind relating thereto authorized or otherwise contemplated by the Client in this Agreement with respect to each Managed Asset of the Client are within the Client's power, are duly authorized by the Client and, when duly entered into with a counterparty, will be the legal, valid and binding obligations of the Client, subject in each case to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); (ii) without limitation, the execution and delivery by the Client of, and compliance by the Client with, this Agreement and the Client's Client Charter, and the performance by the Manager of the services hereunder, and the transactions and agreements which the Manager enters into on behalf of the Client with any counterparty pursuant to this Agreement will not violate the constituent documents of, or any law, rule, regulation, order, decree or judgment binding on the Client, or any contractual restriction binding on or affecting the Client or its properties and no governmental or other notice or consent is required in connection with the execution, delivery or performance of this Agreement by the Client or of any agreements governing or relating to the Client's obligations hereunder; and (iii) the Client shall have full responsibility for payment of all taxes due on capital or income held or collected for the benefit of the Client.
4. Representations, Warranties and Covenants of the Manager. (a) The Manager hereby represents and warrants to, and agrees with, the Client that, subject to the receipt of any necessary approvals of the Bankruptcy Court as a result of the pending Bankruptcy Case: (i) this Agreement has been duly authorized, executed and delivered by the Manager and constitutes the Manager's legal, valid and binding obligation of the Manager, enforceable against it in accordance with its terms, subject in each case to applicable bankruptcy,

insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); (ii) without limitation, the execution and delivery by the Manager of, and compliance by the Manager with, this Agreement, and the performance by the Manager of the services hereunder, and the transactions and agreements which the Manager enters into on behalf of the Client with any counterparty pursuant to this Agreement will not violate the constituent documents of, or any material law, rule, regulation, order, decree or judgment binding on the Manager, or any material contractual restriction binding on or affecting the Manager or its properties and no governmental or other notice or consent is required in connection with the execution or delivery of this Agreement by the Manager or, to the Manager's knowledge, of any agreements governing or relating to the Manager's obligations hereunder; and (iii) the Manager shall at all times act in accordance with (a) this Agreement (unless otherwise agreed to in advance by the Client) and (b) any provision of applicable law, including the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and all applicable rules and regulations of the Securities and Exchange Commission (the "SEC") promulgated thereunder, including by maintaining all necessary licenses, permits and other authorizations from the SEC and any other regulatory, self-regulatory or other governmental authority (each, a "Regulatory Authority"), except where a failure to act in accordance with this Agreement or where a failure to possess any licenses, permits and other authorizations or any non-compliance with the same, would not have a material adverse effect on the performance by the Manager of the services hereunder.

(b) The Manager hereby covenants not to enter into any transaction or agreement on behalf of the Client pursuant to this Agreement unless such transaction or agreement complies with applicable law.

5. Portfolio Execution. The Client, unless it directs the Manager to use a particular broker or dealer (a "Directed Broker"), hereby delegates to the Manager sole and exclusive authority to designate the brokers or dealers through which all purchases and sales, or any other transactions related thereto, of Managed Assets on behalf of the Client will be made. To the extent permitted by applicable law, such brokers or dealers may include any firm that may be presumed an affiliate of the Manager ("Affiliated Broker-Dealers"). The Manager will determine the rate or rates, if any, to be paid for brokerage services provided to the Client with respect to its Managed Assets. The Manager agrees that securities are to be purchased through such brokers as, in the Manager's best judgment, shall offer the best combination of price and execution. The Manager, in seeking to obtain best execution of portfolio transactions for the Client, may consider the quality and reliability of brokerage services, as well as research and investment information and other services provided by brokers or dealers. Accordingly, the Manager's selection of a broker or dealer for transactions with respect to the Managed Assets may take into account such relevant factors as (i) price, (ii) the broker's or dealer's facilities, reliability and financial responsibility, (iii) when relevant, the ability of the broker to effect securities transactions, particularly with regard to such aspects as timing, order size and execution of the order, (iv) the broker's or dealer's recordkeeping capabilities and (v) the

research and other services provided by such broker or dealer to the Manager in a manner that falls within the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended, provided that all such research and other services are used by the Manager for the benefit of the Client (collectively, "Research"). Upon the request of the Client, the Manager shall provide to the Client regular reports in such form and at such times as may reasonably be required by the Client, setting forth the amount of total brokerage business placed by the Manager with respect to the Managed Assets and the allocation thereof among brokers and dealers, identifying those brokers and dealers which provided research services, and containing such other information as the Client may reasonably request. In the event that the Client instructs the Manager to place orders through a Directed Broker, including a Directed Broker who is also an Affiliated Broker-Dealer, the Client hereby acknowledges that the Manager may not obtain "best execution" and waives any applicable "best execution" requirements with respect to transactions with such Directed Broker, provided that the Manager shall monitor and advise the Client if any such Directed Broker fails to obtain "best execution."

6. Aggregation and Allocation of Orders. Subject to Section 2(a)(vi), the Client authorizes the Manager, at the Manager's discretion, to bunch or aggregate orders with respect to the Client's Managed Assets with orders of other clients and to allocate the aggregate amount of the investment among accounts (including accounts in which the Manager, its affiliates and/or their personnel have beneficial interests) in a fair and equitable manner. When portfolio decisions are made on an aggregated basis, the Manager may, in its discretion, place a large order to purchase or sell Managed Assets for the Client and the accounts of several other clients. The Client acknowledges that: (i) because of the prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold; (ii) if this occurs, the various prices may be averaged and the Client will be charged or credited with the average price, and the effect of the aggregation may operate on some occasions to the Client's disadvantage; (iii) although in such an instance the Client will be charged the average price, the Manager will make the information regarding the actual transactions available to the Client upon the Client's request; and (iv) the Manager and its affiliates are not required to bunch or aggregate orders, and therefore the Client may not receive the average price on any given trade. Notwithstanding the foregoing, to the extent the Manager has custody of the Managed Assets pursuant to Section 10 of this Agreement, the Manager will segregate and keep separate and readily identifiable such Managed Assets from the assets of its other clients.
7. Conflicts of Interest; Affiliated Transactions. (a) *General*. This Agreement shall not be construed in any manner to preclude the Manager from engaging in any business or other activity whatsoever. If any matter arises with respect to one or more Managed Assets of the Client that the Manager determines in its good faith judgment may constitute a conflict of interest, the Manager shall provide prompt notice of such matter to the Client and the Creditors' Committee (provided that there shall be no requirement to provide notice to the Creditors' Committee if such a determination of the Manager is made on or after the Termination Date), and shall take such actions, including consultation with the Client or taking actions consistent with (i) the Client's Client Charter, including the Protocols set forth therein with respect to the relevant Asset Class, or (ii) the instruction

of the Client or procedures approved by the Client, as it determines acting in good faith may be necessary or appropriate to ameliorate the conflict. Upon the Manager taking an action in accordance with the instruction of, or procedures approved by, the Client, and subject to Section 2(a)(vi), the Manager shall be relieved of any liability for such conflict to the fullest extent permitted by law.

(b) *Cross Trades.* From time to time, when determined by the Manager to be in the best interest of the Client and consistent with the Client's Client Charter and the Manager's duty to obtain "best execution," the Client's Managed Assets may be purchased from or sold to another account (including public or private collective investment vehicles) managed, maintained or trusted by the Manager or an affiliate at prevailing market levels in accordance with applicable law and utilizing, with respect to pricing, such pricing methodology determined to be fair and equitable to the Client in the Manager's reasonable judgment. The Manager shall provide written confirmation to the Client of any cross trade effectuated pursuant to this Section 7(b).

(c) *Agency Cross Trades.* Consistent with applicable law, the Client hereby authorizes the Manager to effect agency cross transactions on its behalf with its Affiliated Broker-Dealers, and understands that such Affiliated Broker-Dealers may retain commissions in connection with effecting any transactions for the Client. Upon registration of the Manager under the Advisers Act, the Manager and any Affiliated Broker-Dealers shall thereby be authorized, consistent with applicable law, by the Client to execute agency cross transactions (as defined in Rule 206(3)-2 under the Advisers Act) on behalf of the Client. The Client acknowledges that agency cross transactions may facilitate a purchase or sale of a block of securities of the Managed Assets at a predetermined price and may avoid unfavorable price movements which might otherwise be suffered if the purchase or sale order were exposed to the market; however, the Manager and its Affiliated Broker-Dealers may act as brokers for and receive commissions from, and therefore may have a potentially conflicting division of loyalties and responsibilities regarding, both parties to an agency cross transaction. The Client understands that its authority to the Manager to effect agency cross transactions for the Client is terminable at will without penalty, effective upon receipt by the Manager of written notice from the Client. The Manager shall provide written confirmation to the Client of any agency cross trade effectuated pursuant to this Section 7(c).

8. Reports, Valuations, Meetings and Other Communications. (a) The Manager shall provide the Client with reports containing the valuations and status of the Managed Assets on such basis and at such times as shall be set forth in the Client's Client Charter under "Periodic Reporting" with respect to each Asset Class. To the extent valuation levels for the Managed Assets of the Client are provided pursuant to requirements set forth in the Client's Client Charter, such valuations will reflect the Manager's good faith and diligent effort to ascertain fair value levels (including accrued income, if any) for such Managed Assets based on pricing and valuation information believed by the Manager after due inquiry to be reliable under the circumstances or on such basis as shall be set forth in the Client's Client Charter under "Valuation" with respect to each Asset Class. The Client acknowledges that valuation levels may not ultimately be realized due to, among other factors, market conditions, future operating results, transaction size, legal

and contractual restrictions on transfers that may limit liquidity, any related transaction costs, the timing and manner of the sales, economic and political developments, interest rates and issuer-specific events, and sector positioning. Exchange rates determined by the Manager in good faith to be reasonable under the circumstances will be applied in valuing holdings in foreign currency. The Client agrees that the Manager is only obligated to send to the Client copies of any trade confirmations it receives upon written request of the Client. The Client acknowledges and agrees that (i) none of the information which the Manager provides the Client hereunder shall be deemed to be the official books and records of the Client, which shall be maintained and kept by the Client, for tax, accounting and all other purposes; provided that the Manager acknowledges that any such reporting and valuation information produced by it may serve as supporting information with respect to the official books and records maintained and kept by the Client; and (ii) the Client will not publish, reproduce (except for internal or archival purposes) or disseminate any non public pricing information provided by the Manager without the Manager's consent; provided that such consent shall not be required with respect to any disclosure (a) to the Creditor's Committee or the advisors of the Creditors' Committee, or (b) otherwise required in the Client's sole discretion, or by law, legal process or other compulsory process or regulatory inquiry, including in connection with disclosures made in connection with the Bankruptcy Case. Unless otherwise provided expressly in the Client's Client Charter under "Asset Management and Investment Management Services" with respect to an Asset Class, the Manager shall be responsible for determining the value of the Managed Assets of the Client.

(b) The Manager, upon request of the Client, shall attend meetings with representatives of the Client to discuss the position of the Client's Managed Assets and the investment outlook, and shall submit its views in writing to the Client as requested by the Client from time to time.

(c) In connection with services being provided hereunder, the Creditors' Committee and its advisors may communicate with employees of the Manager to the extent and in the manner in which it currently communicates with employees of the Client.

(d) The Manager shall notify the Client and the Creditors' Committee promptly upon becoming aware of (i) any changes or events that could reasonably be expected to materially and adversely affect the Managed Assets of the Client or the Manager's management of such Managed Assets, including the following: any audit, investigation, inquiry, action or proceeding by any Regulatory Authority involving the Manager or such Managed Assets of which the Manager has received notification from such Regulatory Authority and (ii) any financial condition of or significant corporate event involving the Manager that would reasonably be expected to materially and adversely affect its ability to meet contractual commitments to the Client under this Agreement; provided that there shall be no requirement to provide notice to the Creditors' Committee if the Manager becomes aware of any change, event or condition set forth in the previous sentence on or after the Termination Date.

9. Compensation; Expenses. (a) The Manager shall be compensated by the Client with respect to Managed Assets of the Client within a particular Asset Class in accordance

with the terms set forth in Appendix F with respect to such Asset Class, which amount shall be due and payable at the times and in the amounts set forth in Appendix F.

(b) The Client shall be responsible for the payment of all costs, fees and expenses incurred in respect of the Client's Managed Assets. By way of example, and not limitation, the Client will bear with respect to its Managed Assets: (i) any brokerage commissions, transfer fees, registration costs, taxes and other similar costs, (ii) fees and expenses of persons providing specialty pricing and valuation services, (iii) legal, financial, accounting, due diligence, placement, consulting and other advisory fees, costs and expenses, (iv) fees and expenses (including fees and expenses listed in any separate custody agreement) in connection with the custody of such Managed Assets held by a Third-Party Custodian (as defined in Section 10 hereof), (v) any travel and accommodation expenses, (vi) all costs and all fees (including commitment fees) and expenses due of any lenders, investment banks or other financing sources, (vii) any topping, termination or break-up fees, deposits or down payments of cash or other property that are forfeited in connection with a prospective or potential transaction, (viii) any taxes, fees or other governmental charges levied against the Managed Assets and all expenses incurred in connection with any tax audit, investigation, settlement or review of such Managed Assets, (ix) fees, costs and expenses of persons (other than, to avoid any doubt, persons regularly employed on a full-time basis by the Manager) providing mortgage servicing with respect to such Managed Assets, (x) a pro rata portion of fees, costs and expenses of any insurance usual and customary for asset management businesses similarly situated to the business of the Manager, and (xi) any expenses related to Bona Fide Hedging Transactions entered into with respect to such Managed Assets. The Client hereby authorizes the Manager to incur such costs, fees and expenses with respect to the Client's Managed Assets and such transactions and such costs, fees and expenses shall be paid or reimbursed separately to the Manager by the Client within no more than thirty (30) days after the Client receives a written invoice therefor setting forth in reasonable detail the types of expenses with respect to the Client's Managed Assets. Alternatively, the Manager may, on behalf of the Client, cause the Client to incur and pay directly any such costs, fees and expenses. Any amounts paid as compensation by the Client to the Manager pursuant to Section 9(a) must not be duplicative of expenses paid or reimbursed by the Client pursuant to this Section 9(b). Notwithstanding that the Manager is responsible for payment of the expenses (if any) relating to the services to be provided to the Manager pursuant to the Shared Services Agreement dated as of [●], 2010 between the Manager and the Client; the Client shall be responsible for reimbursement of any such amounts to the Manager.

(c) On the date of this Agreement, the Client shall pay to the Manager, in advance, the estimated Personnel and Non-Personnel Expenses (as such term is defined in Appendix F under "Management Fees") (as estimated by the Manager) through the end of the second calendar quarter of 2010, with any balance due to the Manager for services performed during the applicable management fee period to be paid by the Client at the time the Client pays the first Estimated Quarterly Fee Amount (as such term is defined in Appendix F under "Management Fees").

10. Custody. The Manager and the Client agree that (i) the current custodial arrangements related to the Managed Assets of the Client shall remain unchanged unless otherwise agreed by the Client and (ii) under the current custodial arrangements, such Managed Assets are held by the Client or, to the extent required, a “qualified custodian” as defined in Rule 206(4)-2 of the Advisers Act (a “Qualified Custodian”) that is not affiliated with the Client or the Manager (a “Third-Party Custodian”). To the extent that the Client agrees to modify the current custodial arrangements with respect to the Client’s Managed Assets, the Client may appoint and enter into an agreement with additional Third Party Custodians; provided, however, that, to the extent that the Manager is a Qualified Custodian, the Client may appoint the Manager as custodian of the Managed Assets or any portion thereof. The Manager is authorized to give instructions (including, as applicable with respect to particular Managed Assets of the Client, in the exercise of its discretion in respect thereof) to such Third-Party Custodian with respect to all transaction and related decisions regarding such Managed Assets. The Manager will have no liability with respect to the custodial arrangements of, or the acts, conduct, or omissions of, a Third-Party Custodian. With respect to Managed Assets of the Client maintained by a Third-Party Custodian, the Manager shall have no responsibility or liability with respect to the collection of income or the physical acquisition, management of capital charges, or safekeeping of such Managed Assets, securities, funds, and/or other properties that comprise such Managed Assets or affecting authorized distributions. All such duties shall be the sole obligation of the Client or Third-Party Custodian, if appointed. To the extent that a Managed Asset of the Client is deemed an Untitled Asset, the Manager shall not be deemed to have custody of such Managed Asset unless the Client cures such insufficiency or defect without prejudice to the Manager. To the extent the Manager has custody of Managed Assets of the Client, the Manager will segregate and keep separate and readily identifiable such Managed Assets from the assets of its other clients.
11. Confidential Information. The Manager agrees with the Client that it will, and will cause its officers, directors, affiliates and employees, agents and representatives to, at all times keep confidential and not divulge, furnish or make accessible to any person or entity, any confidential information, knowledge or data concerning or relating to this Agreement, the Client or any of the Client’s Managed Assets, including positions, trading or other sale information, strategies, hedging and the like, or any other information related to any of the forgoing (the Client’s “Confidential Information”) without the prior written consent of the Client, except as follows:
- (a) Where disclosure is expressly permitted under the terms of this Agreement;
 - (b) Where disclosure is required for the purpose of making, acquiring, restructuring, refinancing, settling, realizing, or engaging in any other transaction with respect to a Managed Asset of the Client in accordance with the terms of the Agreement and the Client’s Client Charter, including the Protocols with respect to the related Asset Class;
 - (c) Where disclosure is required by compulsory process, law or the order of any court or pursuant to any request or requirement of any Regulatory Authority, bank examiner or statutory auditor;

(d) Where the disclosure is or becomes public by no fault of the Manager, any of its affiliates or any of their respective partners, members, directors, officers, employees, representatives or agents; or

(e) Where disclosure is made to the Creditors' Committee or its advisors;

but in an event under paragraph (c) above, and unless precluded from doing so by applicable law or the obligation of immediate disclosure, the Manager shall give the Client, before making the disclosure, an opportunity to oppose the disclosure, and shall coordinate the wording of such disclosure with the Client (to the extent permitted by law). The Manager shall be entitled to disclose information received by the Client to the Manager's directors, employees, service providers and professional advisors wherever located with respect to this Agreement (provided that (i) such disclosure is for the purpose of supporting the provision of services under this Agreement and (ii) such directors, employees, service providers and professional advisors (A) are also bound by an obligation of confidentiality substantially similar to this Section 11 and (B) need to know such information for the purpose of supporting the provision of services under this Agreement).

12. Directions to the Manager. (a) All directions by or on behalf of the Client to the Manager shall be in writing signed by the persons set forth under "Authorized Person(s)" in the Client's Client Charter. The Manager shall be fully protected in relying upon any direction in accordance with the previous sentence with respect to any instruction, direction or approval of the Client, and shall be so protected also in relying upon a certification duly executed on behalf of the Client as to the names of persons authorized to act for it under the Client's Client Charter and in continuing to rely upon such certification until notified by the Client to the contrary.

(b) The Manager shall be fully protected in acting upon any instrument, certificate or paper believed by it in good faith to be genuine and to be signed or presented by the proper persons or upon any statement contained in any such writing and may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

13. Limitation of Liability. To the maximum extent permitted by law, neither the Manager nor any other Manager Indemnitee (as defined below) shall be liable to the Client for any expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever (including (x) any legal expenses and costs and expenses relating to investigating or defending any demands, charges and claims and (y) for the avoidance of any doubt, any demands, charges and claims brought by any creditor of the Client or its affiliates) (collectively, "Losses") arising out of any acts or omissions of the Manager, except to the extent that such Losses are the result of an act or omission taken or omitted by the Manager or any other Manager Indemnitee during the term of this Agreement that constitutes gross negligence, willful misconduct, bad faith, breach of fiduciary duty, material breach of any regulatory or legal requirements, fraud or a breach of Section 2(a)(vi), any material breach of any other provision of this Agreement or the Client's Client Charter. Expenses incurred by a Manager Indemnitee in defense or settlement of

any claim that may be subject to a right of indemnification hereunder shall be advanced by the Client prior to the final disposition thereof; provided that each Manager Indemnitee shall repay any such amounts advanced to such Manager Indemnitee if it is finally determined that such Manager Indemnitee is not entitled to indemnification. Without limitation, neither the Manager nor any other Manager Indemnitee shall be liable to the Client for Losses resulting from or in any way arising out of (i) any action of the Client or any Third-Party Custodian of the Client or any of their other agents or advisers (other than the Manager, the Manager Indemnitees and any person or entity to whom the Manager has delegated its authority), (ii) any action of the Manager, following any direction of the Client or the Manager's failure to follow any unlawful direction of the Client, provided, that if the Manager knew or should have known that such direction was unlawful or would reasonably result in such Losses, the Manager so informed the Client, (iii) force majeure events beyond the control of the Manager, including any failure, default or delay in performance resulting from computer or other electronic or mechanical equipment failure, unauthorized access, strikes, failure of common carrier or utility systems, severe weather or breakdown in communications, in each case not reasonably within the control of the Manager or other causes commonly known as "acts of god", whether or not any such cause was reasonably foreseeable, (iv) following reasonable written notice from the Manager of its obligation to perform, any failure or default by the Client to perform on any commitment it has with respect to any of its Managed Assets, including any capital commitment subject to draw-down, or (v) general market conditions unrelated to any violation of this Agreement or the Client's Client Charter by the Manager. The Manager gives no warranty as to the performance or profitability of the Client's Managed Assets, nor any guarantee that the investment objectives, expectations or targets described in this Agreement and/or as set forth in the Client's Client Charter will be achieved, including any risk control, risk management or return objectives, expectations or targets. The Managed Assets of the Client may suffer losses and income, if any, may fluctuate. Neither the Manager nor any other Manager Indemnitee shall be responsible for the performance by any person not affiliated with the Manager of such person's obligations in executing, completing or satisfying such person's obligations, except as provided in the penultimate sentence of Section 2(b) hereof. Other than its responsibilities with respect to the Managed Assets of the Client as described herein and in the Client's Client Charter, the Manager shall have no responsibility whatsoever for the management of any other assets of the Client and shall incur no liability for any Losses which may result from the management of such other assets. Nothing herein shall constitute a waiver or limitation of any rights which the Client may have, if any, under any applicable U.S. federal and state securities laws and that may not be waived.

14. Indemnification.

(a) The Client shall reimburse, defend, indemnify and hold harmless the Manager, its affiliates and their partners, members, directors, officers and employees and any person controlled by or controlling the Manager ("Manager Indemnitees") for, from and against any and all Losses (i) relating to (x) any misrepresentation or act or omission or alleged act or omission on the part of the Client or any Third-Party Custodian or any of their other agents or advisers of the Client or (y) any act or omission taken in conformity with

the instructions given by the Client with respect to any matter; or (ii) arising out of or relating to a Manager Indemnitee's acts, omissions, transactions, duties, obligations or responsibilities arising pursuant to this Agreement in respect of the Client's Managed Assets, unless, in the case of this clause (ii), a court of competent jurisdiction (or similar tribunal) has issued a final, non-appealable decision, judgment or order that such Manager Indemnitee's conduct constituted gross negligence, willful misconduct, bad faith, breach of fiduciary duty, material breach of any regulatory or legal requirements, fraud or a breach of Section 2(a)(vi) or any material breach of any other provision of this Agreement or the Client's Client Charter.

(b) The Manager shall reimburse, defend, indemnify and hold harmless the Client, its affiliates and their partners, members, directors, officers and employees and any person controlled by or controlling such ("Client Indemnitees") for, from and against any and all Losses arising out of or relating to a Manager Indemnitee's acts, omissions, transactions, duties, obligations or responsibilities arising pursuant to this Agreement in respect of the Client's Managed Assets, provided that a court of competent jurisdiction (or similar tribunal) has issued a final, non-appealable decision, judgment or order that such Manager Indemnitee's conduct constituted gross negligence, willful misconduct, bad faith, breach of fiduciary duty, material breach of any regulatory or legal requirements, fraud or a breach of Section 2(a)(vi) or any material breach of any other provision of this Agreement or the Client's Client Charter.

15. Non-Exclusive Management. The Client acknowledges and agrees that this advisory relationship is not exclusive and that the Manager may furnish investment and asset management and advisory services to others, and that the Manager shall be at all times free, in its discretion, to make recommendations to others which may be the same as, or may be different from those made to or on behalf of the Client. The Client further understands that the Manager, its affiliates, and any officer, director, stockholder, employee or any member of their families may or may not have an interest in securities or assets in respect of which transactions may be recommended by the Manager. Actions with respect to assets of the same kind may be the same as or different from the action which the Manager, or any of its affiliates, or any officer, director, stockholder, employee or any member of their families, or other investors may take with respect thereto.
16. Effective Period of Agreement and Amendments. This Agreement shall become effective on the date hereof. Any amendment to this Agreement shall be written and signed by the Manager and the Client, provided, that such amendment shall only be binding on and enforceable against the Client if such amendment shall have been duly signed by the Client. Any material amendment, modification, supplement or waiver to this Agreement proposed to be made prior to the Termination Date shall require the prior approval of the Creditors' Committee and the Bankruptcy Court. The Client has the right at any time and from time to time to amend, modify or change the Client's Client Charter by written notice to the Manager. Notwithstanding any other provision hereof, this Agreement may be amended by the Manager, in its sole discretion, and without the consent of the Client to update the identity of the "Notice Recipients" of the Manager set forth in the Client's Client Charter where such persons have been changed by the Manager by written notice to the Client.

17. Duration and Termination. (a) This Agreement shall continue in full force and effect in respect of the Client for an initial term of three years, subject to automatic renewal on an annual basis thereafter (the “Term”) unless (i) terminated by the Client earlier for “Cause,” pursuant to Section 17(b) below, (ii) terminated by the Client earlier, in whole or in part, pursuant to Section 17(c) below or (iii) terminated by the Client effective as of the date of any automatic renewal of the Term by providing written notice of such termination to the Manager at least 90 days prior to the beginning of such automatic renewal term.
- (b) Following a determination of Cause (as defined below), the Client may terminate this Agreement on not less than 30 days notice to the Manager; provided that the Client will continue to pay all fees, costs and expenses pursuant to Section 9 above through the end of such 30 day notice period. “Cause” shall mean a finding by any court or governmental body of competent jurisdiction in a final judgment of gross negligence, willful misconduct, bad faith, breach of fiduciary duty, material breach of any regulatory or legal requirements, or fraud by the Manager in the performance of its services hereunder, or a breach by the Manager of Section 2(a)(vi) or any material breach of any other provision of this Agreement or the Client’s Client Charter.
- (c) The Client shall have the right to terminate this Agreement and its obligations hereunder with respect to all or any portion of its Managed Assets at any time upon 60 days notice to the Manager without Cause; provided that the Client will continue to pay (i) all fees, costs and expenses pursuant to Section 9 above through the end of such 60 day notice period and as provided in Appendix F and (ii) any costs for terminating any related Bona Fide Hedging Transactions or other contracts related to such Managed Asset, any salary, severance, occupancy payments (e.g., rent and other lease payments), costs of service providers and vendors and other overhead expenses of the Manager (including, for the avoidance of doubt, any “Personnel and Non-Personnel Expenses”, as set forth in Appendix F with respect to the related Asset Class or Asset Classes, and other reimbursable expenses) that were allocated in good faith by the Manager to the performance of the services for the Client that were so terminated or which are incurred by the Manager in respect of the terminated services or the termination of the relevant Managed Asset in response to such termination.
- (d) Termination of the Manager’s discretionary authority hereunder with respect to the Client and the Client’s Managed Assets, including the termination of the power of attorney and proxy set forth in Section 2(c), shall be effective immediately upon the Client’s delivery of written notice of termination to the Manager; provided that, to the extent applicable with respect to any Managed Assets, the Client shall honor any trades or other transactions entered into but not settled, closed or consummated, as applicable, before the date of any such termination. Sections 2(c) and (d), 3, 9 (in respect of expenses incurred through the date of termination), 11, 12, 13, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 shall survive the termination of this Agreement.
- (e) The Client hereby agrees that during the period from the date of this Agreement until the earlier of (i) one year after termination or assignment of this Agreement with respect to all or any portion of its Managed Asset, or (ii) six months after the Termination

Date, it shall not solicit or seek to induce or encourage or actually induce or encourage any person who is employed by the Manager or its affiliates and who is primarily involved with the management of the related Asset Class at any time during such period to discontinue his or her employment with the Manager or its affiliates, and shall not hire or employ any such person or any other investment advisor or manager that has so solicited, induced or encouraged any such person.

(f) In the event of any termination of this Agreement by the Client prior to the Termination Date, in whole or in part, pursuant to any provision of this Section 17 in respect of its Managed Assets within one or more Asset Classes whereby such termination necessitates internal reallocation by the Client of the Management Fees allocated to the entity or entities listed on Schedule A in respect of each such Asset Class (pursuant to the allocation methodology set forth on Appendix F) such that the Management Fee allocable to any such entity or entities is increased by an amount equal to three percent (3%) or more per annum, the Client shall provide written notice of such increase in allocated fees, as soon as practicable, to the Creditors' Committee attaching a description of the effect of such termination on the fees allocated by the Client to any other entity or entities listed on Schedule A in respect of each such Asset Class.

(g) In the event of any termination of this Agreement by the Client in respect of the Managed Assets, the Manager shall cooperate on good faith in transitioning investment and management of such Managed Assets to an investment manager or other person or entity designated by the Client.

18. Independent Contractor Status. The Manager shall, for all purposes, be an independent contractor. Except as authorized by this Agreement, the Manager shall have no authority to act for or represent the Client in any way and shall not be deemed an agent of the Client. The Client and the Manager agree that, by entering into this Agreement, they do not form a partnership for any purpose and shall not be deemed to be partners in a joint venture or members of a joint enterprise in the conduct of any business. The amounts paid by the Client to the Manager pursuant to this Agreement constitute compensation for asset management, investment management and administrative and custodial services rendered by the Manager to the Client.
19. Assignment. No assignment (as that term is defined in the Advisers Act) of this Agreement by the Manager in respect of Managed Assets of the Client may be made without the prior written consent of the Client and the Creditors' Committee, and any such assignment made without such consent shall be null and void for all purposes; provided that any such assignment proposed to made on or after the Termination Date shall not require prior written consent of the Creditors' Committee; and provided further that, unless otherwise required by the Advisers Act (i) the Manager may be reconstituted or reorganized into any other form of business entity and (ii) nothing in this Agreement shall preclude changes in the composition of the direct or indirect members of the Manager, that do not result in an assignment (as that term is defined in the Advisers Act). The Client may assign this Agreement (a) with the consent of the Manager (such consent not to be unreasonably withheld), (b) without the consent of the Manager as required pursuant to an order issued in connection with the Bankruptcy Case or (c) to any

successor or purchaser in connection with (i) a merger of the Client or (B) a sale of all or substantially all of the assets of the Client. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and permitted assigns.

20. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto (and with respect to the provisions of Sections 14 and 19 hereof, Manager Indemnitees and permitted assignees, respectively) and the entities set forth on Schedule A, and should not be deemed to confer upon any other third parties (including any creditor of the Client or its affiliates other than the Creditors' Committee which shall, until the Termination Date, be a third-party beneficiary of this Agreement with rights to enforce the obligations of the parties hereto) any remedy, claim, liability, reimbursement, claim of action or other right.
21. Fiduciary Duties. Notwithstanding anything to the contrary set forth herein, (i) the services to be provided by the Manager hereunder in respect of Managed Assets owned by an entity listed on Schedule A hereto shall be provided for the benefit of such entity listed on Schedule A hereto and (ii) the duties set forth in this Agreement owed to the "Client" in respect of the services to be provided by the Manager for the benefit of such entity listed on Schedule A hereto, including without limitation the duties of the Manager set forth in Sections 2(a)(vi) and 7(b), shall be owed by the Manager to such entity listed on Schedule A hereto as if such entity listed on Schedule A hereto was the "Client".
22. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of the Agreement in any jurisdiction.
23. Submission to Jurisdiction; Consent to Service of Process. (a) Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 27 hereof; provided, however, that if the Bankruptcy Case has closed, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in New York County or the Commercial Division, Civil Branch of the Supreme Court of the State of New York sitting in New York County and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 27.

24. Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.
25. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to conflict of law principles thereof.
26. Entire Agreement. This Agreement, including the other appendices and schedules hereto and including in respect of the Client the Client's Client Charter, constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between the Manager and the Client with respect to the subject matter hereof.
27. Notices and Other Communications. (a) All notices and written consents required or permitted to be sent under this Agreement shall be in writing, and shall be sent,

if to the Manager: LAMCO LLC
 1271 Avenue of the Americas
 New York, NY 10020
 Attention: William Gordon
 or by email to: wgordon@alvarezandmarsal.com

With a copy to:
 LAMCO LLC
 1271 Avenue of the Americas
 New York, NY 10020
 Attention: Ashvin Rao
 or by email to: ashvin.rao@lehmanholdings.com

if to the Client: Lehman Brothers Holdings Inc.
 1271 Avenue of the Americas
 New York, NY 10020
 Attention: John Suckow
 or by facsimile to:
 or by email to: john.suckow@lehmanholdings.com

With a copy to:
 Lehman Brothers Holdings Inc.
 1271 Avenue of the Americas
 New York, NY 10020
 Attention: Martha Solinger and Thomas Hommel

or by facsimile to: (212) 520-0421
 or by email to:
 martha.solinger@lehmanholdings.com and
 thomas.hommel@lehmanholdings.com

if to the Creditors'
 Committee:

Milbank, Tweed, Hadley & McCloy LLP
 601 S. Figueroa St., 30th Floor
 Los Angeles, CA 90017
 Attention: Brett Goldblatt
 or by facsimile to: (213) 892-4771
 or by email to: bgoldblatt@milbank.com

With a copy to:
 Houlihan Lokey Howard & Zukin Capital, Inc.
 245 Park Avenue, 20th Floor
 New York, NY 10167
 Attention: Ann Miller
 or by facsimile to: (212) 661-3070
 or by email to: AMMiller@HL.com

or such other name or address as may be given in writing to the other parties. All notices and written consents hereunder shall be sufficient if delivered by facsimile, overnight mail, electronic mail or electronically via the internet using an id and password provided by the Manager. Any notices or written consent to the Client shall be deemed given only upon sending in accordance herewith.

(b) The Client acknowledges and agrees that where in this Agreement or otherwise instructions, reports, notices or other communications may be transmitted via electronic mail, the internet or other similar media, such communications may not be encrypted and there is no guarantee that such communications will be delivered to the intended recipient promptly, in the correct format or at all, it is possible that such communications may be intercepted, read and/or amended by unauthorized persons and the Manager cannot be responsible for unauthorized access. The Client agrees that all risks associated with the transmission of communications electronically or via the internet or other similar media shall be at the Client's risk. The Client agrees that it will not share any user id, password and access to information provided electronically via the internet with any third party and will agree to other reasonable confidentiality restrictions with respect to information delivered through such medium. If the Client no longer wishes to receive information via electronic mail, the internet or other similar media, or is unwilling to accept the risks inherent in electronic communication, the Client should contact the Manager to arrange for another means of supplying the information. Subject to the preceding, the Client consents to receive (i) Part II of the Manager's Form ADV, (ii) the offer letter for Part II of Form ADV, and/or (iii) NASD Rule 2790 negative consent letters, as applicable, via electronic mail.

28. Interpretation. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns

stated in either the masculine or the neuter gender shall include the masculine, the feminine and the neuter. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

29. Headings; Internal References. When a reference is made in this Agreement to Sections, Annexes, Exhibits or Schedules, such reference shall be to a Section, Annex, Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for convenience and reference purposes only and shall not be deemed to alter or affect in any way the meaning or interpretation of any provisions of this Agreement.
30. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

[Rest of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LEHMAN BROTHERS HOLDINGS INC.

By: _____

Name: _____

Title: _____

LAMCO LLC,
by Lehman Brothers Holdings Inc., its managing
member

By: _____

Name: _____

Title: _____

Appendix A

Asset Class	<p>Commercial Real Estate Assets, including, but not limited to:</p> <ul style="list-style-type: none"> – Corporate debt, mezzanine debt, mortgage debt, equity and real estate owned in various property types (e.g., retail, industrial, office, multifamily, hospitality, condominium and lot development), including: <ul style="list-style-type: none"> ○ Senior mortgages ○ B-Notes ○ 2nd and junior mortgages ○ Mezzanine loans ○ Preferred equity ○ Bridge equity ○ Equity in real estate ○ Corporate loans (secured and unsecured; syndicated and non-syndicated) ○ Seller financing ○ Bank loans ○ Ownership interest in funds (general and limited partner) ○ Real Estate Owned ○ Lines of credit and other future funding obligations
Asset Management and Investment Management Services	<ul style="list-style-type: none"> – Provide active portfolio management, which includes all tasks typically undertaken in this Asset Class with the objective of maximizing returns and minimizing risks given the capital structure, property type, property location and agreements (including buying, selling, refinancing, financing, restructuring, recapitalizing, hedging, and all similar asset management activities undertaken in the ordinary course) – Provide property management services – Provide financial modeling of real estate assumptions to support strategic decisions, including valuation assessments – Provide due diligence in conjunction with third parties to support market and property assumptions – Monitor real estate capital markets and property markets to determine appropriate exit strategies – Provide financial information related to actual performance as well as forecasts
Management Fee	See Appendix F hereto.
Periodic Reporting	<p>The Manager shall within sixty (60) calendar days after the end of each quarter furnish, or shall cause a Third-Party Custodian to furnish, to the Client a written statement of Assets under management (“AUM”) for this Asset Class at the close of business on the last business day of each quarter. In addition, from time to time as requested by the Client, the Manager shall prepare and provide the Client with such reports, statistics, data, and other records relating to the performance or other material information about the Managed Assets in this Asset Class for which the Manager is providing management services, in each case, (i) subject to any confidentiality restrictions to which the Manager may be subject including, but not limited to, reports on discounted payoffs, sales, properties and loans transferred to special purpose entities, restructurings and new financings and further subject to reasonable delays in the event of the late receipt of any necessary financial statements, (ii) consistent with the reporting currently being provided to the Client by its management and</p>

	(iii) consistent with the reporting currently being provided to the Creditors' Committee and its advisors by the Client.
Valuation	<p>AUM will consist of the estimated recovery value, determined by the Manager, of all Assets comprising the Asset Class described in this Appendix, as set forth below:</p> <p>(A) Given the illiquid nature of the portfolio, AUM will be based on the expected undiscounted net recovery of the underlying assets. AUM will be determined in good faith by the Manager with a methodology that shall be consistent with the current methodology used by the Client in reporting to the Creditors' Committee, taking into account such financial, structural, legal, economic, regulatory, market and other factors as it deems relevant under the circumstances, including when the Manager deems necessary or appropriate, information provided by servicers as well as independent third parties, such as appraisers and other valuation service providers. AUM for the portfolio will be calculated on a quarterly basis, with adjustments to AUM based on capital activities during the quarterly period.</p> <p>(B) If the Manager in good faith determines that the valuation methods set forth herein are not available or do not fairly or accurately determine the value of a Managed Asset, the Manager may make such adjustments or use such alternative valuation method as it deems appropriate under the circumstances.</p> <p>(C) Notwithstanding anything herein to the contrary, the determination of the AUM of the Managed Assets may be suspended (a "Suspension"), in the sole discretion of the Manager, in each of the following circumstances:</p> <ul style="list-style-type: none"> (i) during the existence of any state of affairs that renders the disposal of the Managed Assets, in the view of the Manager, reasonably impracticable; (ii) during any breakdown in the means of communication normally employed in determining the price of any of the Managed Assets or the current price on any exchange or market on which prices for such assets are quoted; or (iii) if the Manager determines that such Suspension is in the best interests of the Client, or if for any other reason circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practical to determine the fair value of the Managed Assets fairly or accurately. <p>Upon the occurrence of a Suspension, Manager will use the most recent AUM determination for purposes of determining the Management Fees (as defined in Appendix F) and any threshold under the Protocols section below.</p>
Protocols	<p>During the pendency of the Bankruptcy Case, any investments or restructurings of a Managed Asset that has a value of \$5 million or less ((i) based on a 12/31/08 mark; (ii) if the 12/31/08 mark is at least 50% less than the 9/17/08 mark, the 9/17/08 mark; or (iii) if subsequently agreed, the mark on a later date) may be executed by the Manager in its sole discretion, without consent of any Client. Any investments or restructurings above such threshold may be executed by the Manager, subject to approval by the Client. During the pendency of the Bankruptcy Case, any sale (or discounted payoff) of a Managed Asset with a value (based on a 12/31/08 mark, or if the 12/31/08 mark is at least 50% less</p>

	<p>than the 9/17/08 mark, the 9/17/08 mark or, if subsequently agreed, the mark on a later date) of \$5 million or more, shall require approval by the Client.</p> <p>The Manager acknowledges that consent or approval by the Client as used throughout these Protocols may require the Client to obtain the approval of the Board of Directors of the Client, the Creditors' Committee or the Bankruptcy Court under applicable orders, agreements, understandings and/or protocols.</p>
Authorized Person(s)	Name: [TBD] Title: [TBD]

Appendix B

Asset Class	<p>Residential Mortgages Assets, including, but not limited to:</p> <ul style="list-style-type: none"> – Whole loans (Performing / Non-Performing): 1st mortgages; 2nd liens, home equity lines of credit, Prime, SubPrime, Alt-A, Alt-B, Reverse, Scratch-and-Dent – Residential loan portfolios – Student loans – Small balance commercial – Servicing rights – Warehouse lines – Mortgage backed securities and other structured securities – Residential real estate owned – Charged-off loans – Auto loans and other securitizable loans – Residential mortgage claims
Asset Management and Investment Management Services	<ul style="list-style-type: none"> – Provide active portfolio management, which includes all tasks typically undertaken in this Asset Class with the objective of maximizing returns and minimizing risks given the capital structure and investment type (including buying, selling, refinancing, financing, restructuring, recapitalizing, hedging, and all similar asset management activities undertaken in the ordinary course) – Provide property management services – Provide financial modeling of real estate assumptions to support strategic decisions, including valuation assessments – Provide due diligence in conjunction with third parties to support market and property assumptions – Monitor real estate capital markets and property markets to determine appropriate exit strategies – Provide financial information related to actual performance as well as forecasts
Management Fee	See Appendix F hereto.
Periodic Reporting	<p>The Manager shall within forty-five (45) calendar days after the end of each quarter furnish, or shall cause a Third-Party Custodian to furnish, to the Client a written statement of Assets under management (“AUM”) for this Asset Class at the close of business on the last business day of each quarter. In addition, from time to time as requested by the Client, the Manager shall prepare and provide the Client with such reports, statistics, data, and other records relating to the performance or other material information about the Managed Assets in this Asset Class for which the Manager is providing management services, in each case, (i) subject to any confidentiality restrictions to which the Manager may be subject including, but not limited to, reports on discounted payoffs, sales, properties and loans transferred to special purpose entities, restructurings and new financings and further subject to reasonable delays in the event of the late receipt of any necessary financial statements, (ii) consistent with the reporting currently being provided to the Client by its management and (iii) consistent with the reporting currently being provided to the Creditors’ Committee and its advisors by the Client.</p>
Valuation	AUM will consist of the estimated recovery value, determined by the Manager, of all Assets comprising the Asset Class described in this Appendix, as set forth below:

	<p>(A) The fair value of securities which are marketable securities shall equal:</p> <p>(x) in the case of securities which are primarily traded on a securities exchange, the last sale price on such securities exchange on the date of determination, or if no sales occurred on any such day, the mean between the closing “bid” and “asked” prices on such date of determination; (y) if the principal market for such securities is, or is deemed to be, in the over the counter market, the average of the closing sale prices on each trading day during the five (5) trading day-period immediately prior to the date of the determination, as published by the National Association of Securities Dealers Automated Quotation System or similar organization, or if such price is not so published on any such day, the mean between the closing “bid” and “asked” prices, if available, on such day, which prices may be obtained from any reputable pricing service, broker or dealer; and (z) if such securities are traded on PORTAL, the fair value of such securities as reasonably determined by the Manager.</p> <p>(A) The fair value of any Assets which are not marketable securities shall initially be determined in good faith by the Manager, taking into account such financial, structural, legal, economic, regulatory, market and other factors as it deems relevant under the circumstances, including when the Manager deems necessary or appropriate, information provided by independent third parties, such as appraisers and other valuation service providers.</p> <p>(B) If the Manager in good faith determines that the valuation methods set forth herein are not available or do not fairly or accurately determine the value of a Managed Asset, the Manager may make such adjustments or use such alternative valuation method as it deems appropriate under the circumstances.</p> <p>(C) Notwithstanding anything herein to the contrary, the determination of the AUM of the Managed Assets may be suspended (a “Suspension”), in the sole discretion of the Manager, in each of the following circumstances:</p> <ul style="list-style-type: none"> (i) during the existence of any state of affairs that renders the disposal of the Managed Assets, in the view of the Manager, reasonably impracticable; (ii) during any breakdown in the means of communication normally employed in determining the price of any of the Managed Assets or the current price on any exchange or market on which prices for such assets are quoted; or (iii) if the Manager determines that such Suspension is in the best interests of a Client, or if for any other reason circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practical to determine the fair value of the Managed Assets fairly or accurately. <p>Upon the occurrence of a Suspension, Manager will use the most recent AUM determination for purposes of determining the Management Fees (as defined in Appendix F) and any threshold under the Protocols section below.</p>
Protocols	<p>During the pendency of the Bankruptcy Case, any (i) sale or investment of a Managed Asset with a value ((i) based on a 12/31/08 mark; (ii) if the 12/31/08 mark is at least 50% less than the 9/17/08 mark, the 9/17/08 mark; or (iii) if subsequently agreed, the mark on a later date) of at least \$5</p>

	<p>million or (ii) discounted payoff or loan modification with a value of at least \$5 million, shall require approval by the Client.</p> <p>The Manager acknowledges that consent or approval by the Client as used throughout these Protocols may require the Client to obtain the approval of the Board of Directors of the Client, the Creditors' Committee or the Bankruptcy Court under applicable orders, agreements, understandings and/or protocols.</p>
Authorized Person(s)	Name: [TBD] Title: [TBD]

Appendix C

Asset Class	<p>Corporate Debt Assets, including, but not limited to:</p> <ul style="list-style-type: none"> – US managed Corporate Debt Obligations – UK managed Corporate Debt Obligations – Bankhaus managed assets (until assets transferred to Lehman Commercial Paper Inc.) – Various managed collateralized loan obligations, special purpose vehicles, and securitizations – Asian managed Corporate Debt Obligations – Other assets spread across multiple entities and regions – Reconstituted debt including reinstated debt, junior debt with or without equity
Asset Management and Investment Management Services	<ul style="list-style-type: none"> – Provide active portfolio management, which includes all tasks typically undertaken in this Asset Class with the objective of maximizing returns and minimizing risks (including buying, selling, refinancing, financing, restructuring, recapitalizing, hedging, and all similar asset management activities undertaken in the ordinary course) – Reduce unfunded commitments and letters of credit exposures; – Maintain a credit review process, including an internal rating process – Transfer of agency relationships – Monitor corporate debt markets to determine appropriate exit strategies
Management Fee	See Appendix F hereto.
Periodic Reporting	<p>The Manager shall within one hundred and five (105) calendar days after the end of each quarter and one hundred thirty five (135) calendar days after the end of each year furnish, or shall cause a Third-Party Custodian to furnish, to the Client a written statement of Assets under management (“AUM”) for this Asset Class at the close of business on the last business day of each quarter. In addition, from time to time as requested by the Client, the Manager shall prepare and provide the Client with such reports, statistics, data, and other records relating to the performance or other material information about the Managed Assets in this Asset Class for which the Manager is providing management services, in each case, (i) subject to any confidentiality restrictions to which the Manager may be subject including, but not limited to, reports on discounted payoffs, sales, properties and loans transferred to special purpose entities, restructurings and new financings and further subject to reasonable delays in the event of the late receipt of any necessary financial statements, (ii) consistent with the reporting currently being provided to the Client by its management and (iii) consistent with the reporting currently being provided to the Creditors’ Committee and its advisors by the Client.</p>
Valuation	<p>AUM will consist of the estimated recovery value, determined by the Manager, of all Assets comprising the Asset Class described in this Appendix, as set forth below:</p> <ul style="list-style-type: none"> (A) The Manager will obtain on a monthly basis independent market quotes from third party providers (e.g., Loan X, LPC) or financial institutions (e.g., Barclays, JPMorgan Chase, Deutsche Bank, RBS etc.) (B) If the Manager in good faith determines that the independent market pricing quotes set forth herein do not fairly or accurately determine

	<p>the value of a Managed Asset, the Manager may make such adjustments or use such alternative valuation method as it deems appropriate under the circumstances.</p> <p>(C) The fair value of any Assets (i.e. trade claims) not available through these independent sources shall initially be determined in good faith by the Manager, with a methodology that shall be consistent with the current methodology used by the Client in reporting to the Creditors' Committee, taking into account such financial, structural, legal, economic, regulatory, market and other factors as it deems relevant under the circumstances.</p> <p>(D) Notwithstanding anything herein to the contrary, the determination of the AUM of the Managed Assets may be suspended (a "Suspension"), in the sole discretion of the Manager, in each of the following circumstances:</p> <ul style="list-style-type: none"> (iv) during the existence of any state of affairs that renders the disposal of the Managed Assets, in the view of the Manager, reasonably impracticable; (v) during any breakdown in the means of communication normally employed in determining the price of any of the Managed Assets or the current price on any exchange or market on which prices for such assets are quoted; or (vi) if the Manager determines that such Suspension is in the best interests of the Client, or if for any other reason circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practical to determine the fair value of the Managed Assets fairly or accurately. <p>Upon the occurrence of a Suspension, Manager will use the most recent AUM determination for purposes of determining the Management Fees (as defined in Appendix F) and any threshold under the Protocols section below.</p>
<p>Protocols</p>	<p>During the pendency of the Bankruptcy Case, any sale of, funding, new financings, advances, investment in or restructuring of a Managed Asset that has a value ((i) based on a 12/31/08 mark; (ii) if the 12/31/08 mark is at least 50% less than the 9/17/08 mark, the 9/17/08 mark; or (iii) if subsequently agreed, the mark on a later date) of less than \$25 million may be executed by the Manager in its sole discretion, without consent of the Client. Any sale of, investment in or restructuring of a Managed Asset above such threshold may be executed by the Manager, subject to approval by the Client.</p> <p>Notwithstanding the foregoing, the sale, investment or restructuring of any Assets which are pledged to third parties, and are not part of the bankruptcy estate, and the termination of any unfunded Commitment, shall be subject to approval by the Client.</p> <p>The Manager acknowledges that consent or approval by each Client as used throughout these Protocols may require such Client to obtain the approval of the advisor to the retaining entity, loan book subcommittee, the Creditors' Committee or the Bankruptcy Court under applicable orders, agreements, understandings and/or protocols.</p>
<p>Authorized Person(s)</p>	<p>Name: [TBD] Title: [TBD]</p>

Appendix D

Asset Class	<p>Private Equity/Principal Investments, including, but not limited to:</p> <ul style="list-style-type: none"> – Direct private equity and illiquid credit investments in private and public companies in North America, Europe and Asia – Limited Partner and General Partner interests in Lehman private equity funds – Limited Partner and General Partner interests in third party private equity and hedge funds – Restricted and non-restricted equity and equity-linked securities in small cap public companies
Asset Management and Investment Management Services	<ul style="list-style-type: none"> – Provide active portfolio management, which includes all tasks typically undertaken in this Asset Class with the objective of maximizing returns and minimizing risks (including buying, selling, refinancing, financing, restructuring, recapitalizing, hedging, and all similar asset management activities undertaken in the ordinary course) – Reduce unfunded commitments – Monitor markets to determine appropriate exit strategies – Coordinate and supervise the preparation and review of all documents required in connection with the acquisition, disposition or financing of assets
Management Fee	See Appendix F hereto.
Periodic Reporting	<p>The Manager shall within one hundred five (105) calendar days after the end of each quarter and one hundred thirty five (135) calendar days after the end of each year furnish, or shall cause a Third-Party Custodian to furnish, to the Client a written statement of Assets under management (“AUM”) for this Asset Class. In addition, from time to time as requested by the Client, the Manager shall prepare and provide the Client with such reports, statistics, data, and other records relating to the performance or other material information about the Managed Assets in this Asset Class for which the Manager is providing management services, in each case, (i) subject to any confidentiality restrictions to which the Manager may be subject and reasonable delays in the event of the late receipt of any necessary financial statements, (ii) consistent with the reporting currently being provided to the Client by its management and (iii) consistent with the reporting currently being provided to the Creditors’ Committee and its advisors by the Client.</p>
Valuation	<p>AUM will consist of the estimated recovery value, determined by the Manager, of all Assets comprising the Asset Class described in this Appendix, as set forth below:</p> <p>(A) The fair value of any Assets which are not marketable securities shall be determined in line with market practice valuation techniques (e.g., DCF, comparable trading multiples, transaction multiples, etc.) by the Manager, with a methodology that shall be consistent with the current methodology used by the Client in reporting to the Creditors’ Committee, taking into account such financial, structural, legal, economic, regulatory, market and other factors as it deems relevant under the circumstances, including when the Manager deems necessary or appropriate, information provided by independent third parties, such as appraisers and other valuation service providers.</p> <p>(B) If the Manager in good faith determines that the valuation methods set</p>

	<p>forth herein are not available or do not fairly or accurately determine the value of a Managed Asset, the Manager may make such adjustments or use such alternative valuation method as it deems appropriate under the circumstances.</p> <p>(C) Notwithstanding anything herein to the contrary, the determination of the AUM of the Managed Assets may be suspended (a "Suspension"), in the sole discretion of the Manager, in each of the following circumstances:</p> <ul style="list-style-type: none"> (vii) during the existence of any state of affairs that renders the disposal of the Managed Assets, in the view of the Manager, reasonably impracticable; (viii) during any breakdown in the means of communication normally employed in determining the price of any of the Managed Assets or the current price on any exchange or market on which prices for such assets are quoted; or (ix) if the Manager determines that such Suspension is in the best interests of the Client, or if for any other reason circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practical to determine the fair value of the Managed Assets fairly or accurately. <p>Upon the occurrence of a Suspension, Manager will use the most recent AUM determination for purposes of determining the Management Fees (as defined in Appendix F) and any threshold under the Protocols section below.</p>
<p>Protocols</p>	<p>During the pendency of the Bankruptcy Case, any investment in, or sale of, a Managed Asset or operating business that has a value (i) based on a 12/31/08 mark; (ii) if the 12/31/08 mark is at least 50% less than the 9/17/08 mark, the 9/17/08 mark; or (iii) if subsequently agreed, the mark on a later date) of less than \$10 million may be executed or drawn, as applicable, by the Manager without consent of the Client. Sales or investments above such thresholds may be executed or made, as applicable, by the Manager, subject to approval of the Client.</p> <p>The Manager acknowledges that consent or approval by the Client as used throughout these Protocols may require the Client to obtain the approval of the Board of Directors of the Client, the Creditors' Committee or the Bankruptcy under applicable orders, agreements, understandings and/or protocols.</p>
<p>Authorized Person(s)</p>	<p>Name: [TBD] Title: [TBD]</p>

Appendix E

<p>Asset Class</p>	<p>Derivatives and Other Contracts, including, but not limited to:</p> <ul style="list-style-type: none"> – All derivative and derivative related contracts and underliers whether open, matured or terminated, regardless of whether such Derivatives Contracts represent receivables or payables on a net basis and specifically including Derivatives Contracts transacted between the Client and a current or former affiliate of the Client. – Derivatives Contracts trade across all asset classes including, without limitation; interest rates, credit, FX, emerging markets, CMBS, equities, and commodities,, with global product and global currency underlyings – All collateral and credit support contracts and assets related to Derivatives Contracts regardless of whether such collateral was posted or received – All structured products such as notes, warrants and or certificates issued by or guaranteed by the Client or a current or former affiliate of the Client – All guarantees related to Derivatives Contracts by Lehman Brothers Holdings Inc., regardless of whether such primary contract was entered into by the Client or a current or former affiliate of the Client – All assets and liabilities, including guaranteed liabilities, of the Client representing or arising out of capital markets activities in relation to any other Asset not included within another Asset Class – All other assets and liabilities, including guaranteed liabilities, of Lehman Brothers Special Financing Inc., Lehman Brothers Derivatives Products Inc., Lehman Brothers Financial Products Inc., Lehman Brothers Commercial Corporation, Lehman Brothers OTC Derivatives Inc., Lehman Brothers Commodity Services Inc., Merit LLC, 1271 LLC and any other current or former affiliate of the Client whose primary function is or was the transaction of Derivatives Contracts
<p>Asset Management and Investment Management Services</p>	<ul style="list-style-type: none"> – Provide active portfolio management of open, matured and terminated contracts, which includes all tasks typically undertaken in this Asset Class with the objective of maximizing recoveries and minimizing risks (including hedging, selling, refinancing, financing, restructuring, recapitalizing and all similar asset management activities undertaken in the ordinary course) – Corporate services including project management, financial accounting and management information and financial analysis
<p>Management Fee</p>	<p>See Appendix F hereto.</p>
<p>Periodic Reporting</p>	<p>The Manager shall within thirty (30) calendar days after the end of each quarter furnish, or shall cause a Third-Party Custodian to furnish, to the Client a written statement of Assets under management (“AUM”) for this Asset Class at the close of business on the last business day of each quarter. In addition, from time to time as requested by such Client, the Manager shall prepare and provide the Client with such reports, statistics, data, and other records relating to the performance or other material information about the Managed Assets in this Asset Class for which the Manager is providing management services, in each case, subject to (i) any confidentiality restrictions to which the Manager may be subject and reasonable delays in the event of the late receipt of any necessary financial statements, (ii) consistent with the reporting currently being provided to</p>

	<p>the Client by its management and (iii) consistent with the reporting currently being provided to the Creditors' Committee and its advisors by the Client. Such AUM report will include both assets and liabilities on a gross basis.</p>
<p>Valuation</p>	<p>AUM will consist of the estimated recovery value, determined by the Manager, of all Assets comprising the Asset Class described in this Appendix, as set forth below:</p> <p>(A) The fair value of Derivatives Contracts for which values can be ascertained with reference to underlying rates or securities whose prices are readily attainable in the market shall equal: (x) in the case of derivatives contracts for which the underlying rates or securities are traded on a securities exchange or are rates that are regularly published, the average of their last price or rate on each trading day during the five (5) trading-day period immediately prior to the date of determination, or if no sales or publications occurred on any such day, the mean between the closing "bid" and "asked" prices on such date and (y) if the principal market for such securities is, or is deemed to be, in the over-the-counter market, the average of the closing bid price or rate (as applicable) on each trading day during the five (5) trading day-period immediately prior to the date of the determination, as published by a recognized market on which such underlying securities are traded or rates published, including without limitation inter-broker offer markets.</p> <p>(B) The fair value of any other Derivatives Contracts shall be determined in good faith by the Manager, taking into account such financial, structural, legal, economic, regulatory, market and other factors as it deems relevant under the circumstances, including when the Manager deems necessary or appropriate, information provided by independent third parties, such as appraisers and other valuation service providers.</p> <p>(C) Notwithstanding anything herein to the contrary, the determination of the AUM of the Derivatives Contracts may be suspended (a "Suspension"), in the sole discretion of the Manager, in each of the following circumstances:</p> <ul style="list-style-type: none"> (x) during the existence of any state of affairs that renders the disposal or hedging of the Derivatives Contracts, in the view of the Manager, reasonably impracticable; (xi) during any breakdown in the means of communication normally employed in determining the price of any of the Derivatives Contracts or the current price on any exchange or market on which prices for such assets are quoted; or (xii) if the Manager determines that such Suspension is in the best interests of a Client, or if for any other reason circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practical to determine the fair value of the Managed Assets fairly or accurately. <p>Upon the occurrence of a Suspension, Manager will use the most recent AUM determination for purposes of determining the Management Fees (as defined in Appendix F) and any threshold under the Protocols section below.</p>
<p>Protocols</p>	<p>The delivery of final legal settlement and release agreements in relation to Derivatives Contracts in existence prior to the commencement of the Bankruptcy Case (including for the avoidance of doubt agreements as to</p>

	<p>the allowance of claims against the Client) shall be subject to the approval of the Client.</p> <p>The Manager acknowledges that consent or approval by the Client as used throughout these Protocols may require the Client to obtain the approval of the Board of Directors of the Client, the Creditors' Committee or the Bankruptcy Court under applicable orders, agreements, understandings and/or protocols.</p>
Authorized Person(s)	Name: [TBD] Title: [TBD]

Appendix F

Management Fees Payable to LAMCO

Management Fees: The management fees for the Client will be calculated on an aggregate as well as Asset-Class-by-Asset-Class basis (the “Management Fees”) based on the then-current annual budget forecast of the estimated Personnel and Non-Personnel Expenses for the next quarterly period as of the last business day of the prior calendar quarter (the “Estimated Quarterly Fee Amount”).

Personnel and Non-Personnel Expenses: The fees, costs and expenses of the personnel performing the services in respect of each Asset Class as well as the fees, costs and expenses of the corporate personnel (e.g. information technology, administrative, etc.) and related non-personnel expenses (i.e., base salary, bonus, benefits, occupancy payments (i.e., rent and other lease payments), technology and infrastructure costs, third party servicing costs, etc.).

Payment Period: Quarterly in advance on the first Business Day of each calendar quarter based on the estimated amount provided by the Manager to the Client at least 5 business days prior to the applicable payment date.

True-up and Reimbursement: The Estimated Quarterly Fee Amount will be subject to a true-up to actual amounts of underpayments or reimbursement of overpayments, as applicable, during the quarter with another true-up of underpayments or reimbursement of overpayments, as applicable, which the parties shall use commercially reasonable efforts to make within 30 business days and in any event no later than 90 business days after the end of the applicable quarterly period based on actual Personnel and Non-Personnel Expenses for such period, as determined in good faith by the Manager and with appropriate and reasonable supporting documentation if requested by the Client.

Invoices and Allocations: Manager will invoice the Client for the Estimated Quarterly Fee Amount and related true-ups and reimbursements; and the Client shall be responsible for the payments of such invoices to the Manager. For the avoidance of doubt, the obligations to pay the Management Fee to the Manager pursuant to this Agreement shall be obligations solely of the Client and not any of the entities listed on Schedule A.

Maintaining Aggregate Fee Payment for Six (6) Months upon Termination. In the event that the Client terminates all or a part of its Managed Assets with the Manager, the Client will continue to pay the aggregate Management Fees to the Manager, less reductions in Personnel and Non-Personnel Expenses related to such termination, for a period of six (6) months and will internally reallocate such Management Fees in accordance with the section below entitled “Reallocation of the Management Fee Resulting from a Termination by the Client”.

Internal Allocation of Management Fee by the Client

Internal Allocation of Management Fee by the Client

The Client shall be responsible for internal allocations of such amounts among the Client and the entities listed on Schedule A in accordance with the “Client Allocation Methodology” section below.

Client Allocation Methodology

The Management Fee will be internally allocated among the Client and the entities listed on Schedule A by the Client based on the allocation methodology currently utilized by the Client, which was previously reviewed by the Creditors’ Committee and its advisors. Such allocation methodology may be subject to revision by the Client after review by the Creditors’ Committee and its advisors.

Reallocation of the Management Fee Resulting from a Termination by the Client

In the event that the Client terminates all or a part of its Managed Assets with the Manager, the Client will continue to pay the aggregate Management Fees to the Manager for a period of six (6) months and

the Client and/or any of the entities listed on Schedule A, as applicable, will continue to be allocated its share of the Management Fees, less reductions in Personnel and Non-Personnel Expenses related to such termination, for a period of six (6) months from the date of such termination, and, thereafter, such Management Fees shall be internally reallocated among the Client and the entities listed on Schedule A in accordance with the Client Allocation Methodology taking proper account of such termination.

New Clients

In the event that Manager engages with a New Client, the allocation of Personnel and Non-Personnel Expenses will be allocated as between the Client and the New Client based on a fair and reasonable methodology based on the facts and circumstances at the relevant time and which will fairly reflect the usage of time and resources dedicated to the Client, on the one hand, and the New Client, on the other hand, and such methodology will be, prior to the Termination Date, subject to prior review and approval by the Creditors' Committee.

Schedule A – List of Entities

Lehman Brothers Holdings Inc.
Lehman Brothers Commodity Services Inc.
Lehman Brothers Special Financing Inc.
Lehman Brothers OTC Derivatives Inc.
Lehman Brothers Derivative Products Inc.
Lehman Commercial Paper Inc.
Lehman Brothers Commercial Corporation
Lehman Brothers Financial Products Inc.
LB Rose Ranch LLC
Merit LLC
LB Somerset LLC
LB Preferred Somerset LLC