

SETTLEMENT AGREEMENT

This settlement agreement (“Agreement”) is entered into on this [____] day of [____], 2010, among Danske Bank A/S, London Branch (“Danske”), Lehman Commercial Paper Inc. (“LCPI”), and Lehman Brothers Holdings Inc. (“LBHI”) (collectively, the “Parties”).

RECITALS

A. On September 15, 2008 (the “LBHI Petition Date”), LBHI commenced a voluntary case under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

B. On October 5, 2008, LCPI commenced a voluntary case under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the “LCPI Petition Date”).

C. LCPI, Danske and certain of their respective affiliates are parties to that certain Master Repurchase Agreement dated as of August 30, 1999, as amended (the “MRA”). Pursuant to the MRA, LCPI sold to Danske, upon the terms as set forth in the MRA, certain residential mortgage loans and REO properties, which are listed on the attached Exhibit A (collectively, the “Residential Mortgage Assets”) and certain commercial mortgage loans, which are listed on the attached Exhibit B (the “Commercial Mortgage Assets”, and together with the Residential Mortgage Assets, the “Mortgage Assets”). LBHI issued a guarantee to Danske, dated March 17, 2005, guaranteeing certain of LCPI's obligations under the MRA with respect to the Commercial Mortgage Assets, and LBHI also issued a guarantee to Danske, dated March 19, 2007,

guaranteeing certain of LCPI's obligations under the MRA with respect to the Residential Mortgage Assets. Pursuant to a Tri-Party Custody Agreement (the "Custody Agreement"), dated as of April 21, 2006, by and among Danske, LCPI and The Bank of New York, as Master Custodian ("BNY"), BNY was to hold the files (collectively, the "Collateral Files") relating to the Mortgage Assets for the benefit of Danske and LCPI. BNY arranged for several sub-custodians to take custody of the Collateral Files.

D. Pursuant to the MRA, the Residential Mortgage Assets were sold to Danske in accordance with the terms and conditions set forth in that certain Committed Repurchase Facility Agreement dated as of March 23, 2007 and effective on March 30, 2007 (the "Residential Committed Repurchase Facility").

E. Pursuant to the MRA, the Commercial Mortgage Assets were sold to Danske in accordance with the terms and conditions set forth in that certain Committed Repurchase Facility Agreement dated as of March 17, 2005 and effective on March 17, 2005 (the "Commercial Committed Repurchase Facility"), and together with the Residential Committed Repurchase Facility, the "Committed Repurchase Facility").

F. September 12, 2008 was the last rollover date (the "Last Rollover") on which Mortgage Assets were sold to Danske pursuant to the MRA.

G. Pursuant to the MRA and the Committed Repurchase Facility, Danske transferred cash to LCPI on or prior to the Last Rollover in exchange for the purchase of the Mortgage Assets.

H. Prior to the Last Rollover, (i) LBHI acquired Residential Mortgage Assets from its then-affiliate Lehman Brothers Bank, FSB and from unaffiliated third parties, (ii) LBHI sold

all of the Residential Mortgage Assets to LCPI pursuant to one or more repurchase transactions, and (iii) LCPI re-sold all of the Residential Mortgage Assets to Danske in a back-to-back repurchase transaction pursuant to the MRA and the Committed Repurchase Facility.

I. On September 23, 2008 (the “Default Date”), Danske declared an Event of Default (as defined in the MRA) and notified LCPI in writing that it was in default under the MRA. On the same day, Danske advised BNY, as the Master Custodian, that there had been an Event of Default and, in accordance with the Custody Agreement, Danske directed BNY to transfer the Collateral Files into the name of Danske. In accordance with this instruction, BNY issued written notices to the sub-custodians, instructing them, *inter alia*, to follow the instructions of Danske concerning the Mortgage Assets and Collateral Files.

J. Selling and assigning mortgage loans and REO properties similar to the Mortgage Assets were and are customary in the ordinary course of LCPI's and LBHI's business, both before and after the LCPI Petition Date and the LBHI Petition Date, respectively.

K. Since the LCPI Petition Date, LBHI, LCPI and Danske have work cooperatively to service and administer the Mortgage Assets in order to maximize the value thereof for the mutual benefit of the parties.

L. Since the LCPI Petition Date, either LCPI or LBHI, as assignor, and Danske as assignee, have entered into omnibus assignment and assumption agreements with respect to those Commercial Mortgage Assets set forth on Exhibit C-1 attached hereto confirming that (i) LCPI or LBHI, as applicable, has sold, and Danske has purchased, all of LCPI's or LBHI's, as applicable, right, title and interest with respect to such Commercial Mortgage Assets pursuant to the MRA, and (ii) LCPI or LBHI, as applicable, has assigned, and Danske has assumed, all of

LCPI's or LBHI's, as applicable, obligations as lender arising from the documents evidencing or securing such Mortgage Assets as of the Default Date and thereafter.

M. LCPI, LBHI and Danske did not enter into assignment and assumption agreements with respect to those Commercial Mortgage Assets listed on Exhibit C-2, but instead entered into letter agreements whereby Danske sold and LBHI purchased such Commercial Mortgage Assets.

N. To resolve any remaining issues regarding ownership of the Mortgage Assets, including proceeds thereof, and to avoid protracted, costly and uncertain litigation, the Parties agree that it is in their best interests to enter into this Agreement upon the terms and conditions herein.

Now, therefore, upon the foregoing recitals, which are incorporated as though fully set forth herein, it is hereby agreed, by and between LBHI and LCPI (collectively referred to herein as the "Lehman Entities"), on the one hand, and Danske, on the other hand:

OWNERSHIP OF THE MORTGAGE ASSETS

1. On the Assignment Date (as defined in Paragraph 15), LCPI, LBHI and Danske shall execute and deliver an assignment and assumption agreement, as applicable, with respect to the Residential Mortgage Assets substantially in the form attached hereto as Exhibit D (the "Assignment and Assumption Agreement"). Upon the execution and delivery of the Assignment and Assumption Agreement with respect to the Residential Mortgage Assets, the Parties hereto agree that (i) Danske is, and has been, the sole beneficial owner of the Residential Mortgage Assets since the Default Date, (ii) Danske shall have all of LCPI's and LBHI's respective right, title and interest as lender under the Residential Mortgage Assets as of the Default Date, and (iii) Danske shall have assumed all of LCPI's and LBHI's respective obligations as lender to any

borrowers arising from the documents evidencing the Residential Mortgage Assets as of the Default Date and thereafter.

2. Upon the execution and delivery of the Assignment and Assumption Agreement with respect to the Residential Mortgage Assets, the Lehman Entities shall execute and deliver to Danske or its designee (at no cost or increased liability (beyond the obligations set forth herein) to the Lehman Entities other than de minimis costs to be incurred by the Lehman Entities in connection therewith, and which are customary in the ordinary course of the Lehman Entities' business) any and all assignment and transfer instruments (the form of which shall be reasonably acceptable to both Parties, and which shall include, without limitation, and to the extent applicable, allonges and assignments of mortgages, or any other documents or instruments that may be required in applicable local jurisdictions) further evidencing the transfer of the Residential Mortgage Assets as provided herein. Further, upon the execution and delivery of the Assignment and Assumption Agreement, the Lehman Entities shall take any and all actions that Danske or its designee shall reasonably request (at Danske's sole cost and expense other than de minimis costs to be incurred by the Lehman Entities in connection therewith, and which are customary in the ordinary course of the Lehman Entities' business) to further evidence or confirm the ownership interest of Danske and/or its designee in the Residential Mortgage Assets, including, without limitation, (i) notifying each obligor on any Residential Mortgage Asset to make all payments thereon as directed by Danske or its designee, (ii) confirming to any lending agent, servicer (whether master or special) and any other similar agent with respect to any Residential Mortgage Asset that Danske or its designee is the owner of the Residential Mortgage Asset, (iii) joining with Danske and/or Cambridge Place Collateral Management LLC, in its capacity as asset manager for Danske or its designee ("Cambridge"), in calls and other

communications with Aurora Loan Services LLC ("Aurora") and any sub-servicers and sub-custodians with respect to the Residential Mortgage Assets, and (iv) delivering, assigning or otherwise transferring to Danske or its designee any collateral held by the Lehman Entities (or any of its agents) securing the obligations of the obligors on the Residential Mortgage Assets. The Lehman Entities hereby authorize Danske or its designee to execute and file any assignments of existing Uniform Commercial Code financing statements naming Danske or its designee as a secured party, as may be necessary under applicable law to transfer the respective security interests held by Lehman Entities with respect to such Residential Mortgage Assets to Danske or its designee.

3. Upon the execution and delivery of the Assignment and Assumption Agreement with respect to the Residential Mortgage Assets, the Lehman Entities shall take, at Danske's sole cost and expense other than de minimis costs to be incurred by the Lehman Entities in connection therewith, and which are customary in the ordinary course of the Lehman Entities' business, all commercially reasonable action to direct Aurora and any sub-servicers and sub-custodians to do the following: (i) confirm that Danske or its designee is the owner of the Residential Mortgage Assets; and (ii) allow Danske or its designee and/or Cambridge access to all servicing records relating to the Residential Mortgage Assets, including, without limitation, all agreements pursuant to which Aurora was engaged as the master servicer of the Residential Mortgage Assets and all agreements between Aurora and any sub-servicers and sub-custodians.

4. If with respect to any Residential Mortgage Assets any servicer is unwilling as of the Assignment Date to enter into a reconstituted servicing agreement, an assignment, assumption and recognition agreement, or a servicing transfer agreement with Danske or its designee and Cambridge to replace the current servicing arrangements for the Residential

Mortgage Assets, the Lehman Entities shall, at no cost or liability to the Lehman Entities other than de minimis costs to be incurred by the Lehman Entities in connection therewith (which costs shall be reimbursed promptly upon written request), (i) enter into assignment and assumption agreements for certain servicing agreements, and/or (ii) deliver assignment and acknowledgment notices with respect to certain servicing agreements.

5. The Parties acknowledge that they have been advised by Aurora that as of September 27, 2010, the sum of \$34,925,249.99 was held by Aurora in the escrow account (the "Escrow Account") established by Aurora pursuant to that certain Escrow Agreement, dated as of March 1, 2010, by and among the LBHI, LCPI, Danske and Aurora (the "Escrow Agreement"). Pursuant to a joint written direction delivered by Danske and LBHI under the Escrow Agreement (a "Joint Direction"), \$15,000,000.00 has heretofore been disbursed to Danske in connection with a partial release of the undisputed portion of the funds in the Escrow Account. The Parties agree that the balance of funds in the Escrow Account shall be disbursed pursuant to a Joint Direction in the form attached hereto as Exhibit E as follows: (i) on the Effective Date, \$1,197,112.26 shall be disbursed to LCPI and \$33,728,137.73 shall be disbursed to Danske, and (ii) any and all remaining funds held in the Escrow Account at any time and from time to time shall be disbursed to Danske one week after the Assignment Date.

BOOKS AND RECORDS FOR THE MORTGAGE ASSETS

6. The Parties acknowledge that, on or prior to the date hereof, the Lehman Entities have provided, or have caused the servicers, agents and similar representatives of the Lehman Entities with respect to the Mortgage Assets to provide, Danske or its designee with copies of any and all records in the actual possession of the Lehman Entities in their offices located in the City of New York, New York, relating to the title, ownership, administration, or enforcement of

the Mortgage Assets (as well as all records with respect to the assets securing the Mortgage Assets, such as environmental and engineering reports), including without limitation, to the extent in the actual possession of the Lehman Entities in their offices located in the City of New York, New York, promissory notes, guarantees, mortgages, intercreditor agreements, and deeds of trust securing the obligations of the obligors under the Mortgage Assets, and such other mortgage loan documents that have been reasonably requested by Danske on or prior to the date hereof, but excluding any appraisals, valuations, and analyses work product, attorney work product and all other documents, materials or information created by or on behalf of any of the Lehman U.S. Entities or their employees, agents, representatives or counsel with respect thereto (collectively, "Mortgage Loan Related Documents"). From time to time after the Effective Date, in the event that Danske or its designee makes reasonable requests for additional Mortgage Loan Related Documents specifically identifying particular Mortgage Loan Related Documents which Danske or its designee has reason to believe are in the possession of the Lehman Entities in their offices located in the City of New York, New York, then, provided that the search for such specified additional Mortgage Loan Related Documents does not place an undue burden on the Lehman Entities, the Lehman Entities will make a good faith search of its New York City offices for such documents, and shall provide Danske or its designee with copies of any such additional Mortgage Loan Related Documents discovered as a result of such search. All such copies shall be provided at Danske's or its designee's sole, but reasonable, cost and expense.

7. This Agreement shall have no effect on the proofs of claim numbered 17247 and 19487 that were filed by Danske in the United States Bankruptcy Court for the Southern District of New York on September 18, 2009, against LBHI and LCPI, respectively, or the Parties rights and defenses related thereto.

RELEASES

8. Except as to the acknowledgements, agreements and performance of the obligations set forth in this Agreement and the documents, instruments and agreements executed in connection herewith, Danske, for itself and its affiliates, and their successors and assigns, hereby expressly releases and waives, unconditionally and irrevocably, any claims, counterclaims, defenses, rights of setoff, debt, liens, losses, demands, damages, costs and causes of action of whatever nature, whether asserted or unasserted, known or unknown, in contract or tort, unsecured, secured, priority, administrative or otherwise (together “Claims”), that Danske or any of its affiliates may have against any of the Lehman Entities and/or any of their respective direct or indirect parents, subsidiaries and affiliates, or the respective officers, directors, shareholders, partners, members, employees, agents, servants, counsel, representatives, participants, successors or assigns of any and all of the foregoing, arising from, in connection with, or relating to the Mortgage Assets, including, without limitation (i) any delay in the execution and delivery of the allonges and other assignment and assumption documents; (ii) omissions of any kind occurring on or after the Default Date by the Lehman Entities or any of their affiliates, in the capacity as lender, or as agent, administrative agent, collateral agent, servicer, trustee, or in any other capacity on behalf or at the direction of the lenders under any of the Mortgage Assets, or in connection with the ownership, administration or servicing thereof; and (iii) affirmative acts occurring on or after the Default Date taken by the Lehman Entities or any of their affiliates in the capacity as lender, or as agent or in any other capacity under any of the Mortgage Assets or in connection with the ownership, administration or servicing thereof. The foregoing release shall not waive, diminish or in any way prejudice any rights of Danske, if any, with respect to any claims, rights, causes of action or defenses relating to or against any of

the Lehman Entities and/or any of their respective agents, representatives, affiliates, parents, subsidiaries, shareholders not specifically released under this Agreement, including but not limited to any claims that Danske may have under the MRA and the defense of the release given by the Lehman Entities under this Agreement; provided that Danske shall not assert or pursue any claims against LBHI or LCPI under the MRA other than claims 17247 and 19487 in the event that the MRA is rejected. Without limiting the foregoing, the Parties expressly acknowledge and agree that the foregoing release does not (i) release the Lehman Entities or any of their affiliates in their respective capacities as a borrower, a subordinated or mezzanine lender, or the holder of a direct or indirect interest in a borrower or a subordinated or mezzanine lender with respect to the Commercial Assets listed on Exhibit C-3, or (ii) release, waive or limit the validity or effectiveness of any of the omnibus assignment and assumption agreements among LBHI, LCPI and Danske executed and delivered since the Default Date with respect to the Residential Mortgage Assets listed on Exhibit A or with respect to the Commercial Mortgage Assets listed on Exhibit C-1.

9. Except as to the acknowledgements, agreements and performance of the obligations set forth in this Agreement and the documents, instruments and agreements executed in connection herewith, each of the Lehman Entities, for itself, its estate and its affiliated debtors and debtors in possession and their estates, and their successors and assigns, hereby expressly waive and release, unconditionally and irrevocably, any claims, counterclaims, defenses, rights of setoff, debts, liens, losses, demands, damages, costs and causes of action of whatever nature, whether asserted or unasserted, known or unknown, in contract or tort, unsecured, secured, priority, administrative or otherwise, that the Lehman Entities (or any of their affiliates) may have against Danske and/or any of its respective direct or indirect parents, subsidiaries and

affiliates, or the respective officers, directors, shareholders, partners, members, employees, agents, servants, counsel, representatives, participants, successors or assigns of any and all of the foregoing, arising from, in connection with, or relating to the Mortgage Assets on or after the Default Date, including without limitation (i) any delay in the execution and delivery of the allonges and other assignment and assumption documents; (ii) omissions of any kind occurring on or after the Default Date by Danske in the capacity as lender, or as agent or in any other capacity under any of the Mortgage Assets or in connection with the ownership, administration or servicing thereof; and (iii) affirmative acts occurring on or after the Default Date taken by Danske in the capacity as lender, or as agent or in any other capacity under any of the Mortgage Assets or in connection with the ownership, administration or servicing thereof. The foregoing release shall not waive, diminish or in any way prejudice any rights of any of the Lehman Entities, if any, with respect to any claims, rights, causes of action or defenses relating to or against Danske not specifically released under this Agreement, including but not limited to any claims that the Lehman Entities may have under the MRA and the defense of the release given by the Lehman Entities under this Agreement.

10. To the extent that a borrower (or other party to the Mortgage Loan asserting a Claim) under the Mortgage Assets asserts a Claim based on an affirmative act or omission against either party in its capacity as lender, or as agent or in any other capacity under any of the Mortgage Assets, the parties shall cooperate with one another (at no cost or liability to the cooperating party unless reimbursed by the party requesting such cooperation) in the defense of such Claim to the extent practical and consistent with applicable fiduciary duties and rules of privilege.

11. Nothing in this Agreement is or shall be construed to be an assumption or an assumption and assignment of the MRA by LBHI or LCPI pursuant to the Bankruptcy Code, including under section 365 thereof, or as modifying the classification or the level or priority of Claims under applicable bankruptcy and insolvency law, including, without limitation, the Bankruptcy Code, that either party may have against the other as such Claims (and their corresponding level and priority under such applicable law) existed immediately prior to the execution of this Agreement.

12. Notwithstanding anything to the contrary contained herein, the release set forth in Paragraph 8 shall not waive, diminish, release in any way, or prejudice, any defenses or affirmative defenses (but not counterclaims) that Danske may have with respect to any claims, suits or causes of action brought by, through or on behalf of any of the Lehman Entities or any of their respective affiliates, or any of their respective successors or assigns.

13. Notwithstanding anything to the contrary contained herein, the release set forth in Paragraph 9 shall not waive, diminish, release in any way, or prejudice, any defenses or affirmative defenses (but not counterclaims) that any of the Lehman Entities may have with respect to any claims, suits or causes of action brought by, through or on behalf of Danske, or any of its respective affiliates, or any of their respective successors or assigns.

14. Nothing in this Agreement shall constitute a release or waiver of any claims, counterclaims, defenses, rights of setoff, debts, liens, losses, demands, damages, costs and causes of action of whatever nature, whether asserted or unasserted, known or unknown, in contract or tort, unsecured, secured, priority, administrative or otherwise, that any Lehman Entity (or any of its affiliates) may have against any other Lehman Entity.

EFFECTIVE DATE AND ASSIGNMENT DATE

15. This Agreement shall become effective (the "Effective Date") only upon entry of a final order by the Bankruptcy Court no longer subject to any appeal (a) finding (i) that the Mortgage Assets are not and were not property of LBHI's estate or LCPI's estate, (ii) that neither LBHI nor LCPI have assumed or assumed and assigned nor will assume or assume and assign the MRA pursuant to the Bankruptcy Code, including section 365 thereof, in connection herewith or any of the transactions contemplated hereby, and (iii) that Danske is the owner of the Mortgage Assets (other than those Commercial Mortgage Assets listed on Exhibit C-2), and (b) approving this Agreement (the "Final Order"); provided, however, that the Assignment and Assumption Agreement shall not be effective until the first day of the first calendar month following the Final Order (the "Assignment Date"). The Lehman Entities covenant that they will seek in good faith to promptly procure a Final Order in the Bankruptcy Court. The parties hereto acknowledge their common interest in procuring the Final Order and, subject to and consistent with that common interest, will provide each other with an advance copy of any motion seeking approval of this Agreement prior to its submission to the Bankruptcy Court and further agree not to file any such motion unless its contents shall be reasonably satisfactory to the other parties hereto. The Lehman Entities further covenant that they will oppose in good faith any objection made to any motion seeking approval of this Agreement.

MISCELLANEOUS PROVISIONS

16. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim of or against any party, or as a waiver of the rights of any party to dispute any claim except as expressly waived herein.

17. Each party hereto represents that it is duly authorized to execute this Agreement. Each party hereto agrees to take all actions, provide all consents, and execute all documents as are reasonably necessary to effectuate this Agreement. Entry of a Final Order by the Bankruptcy Court as set forth in Paragraph 15 hereof is a condition precedent to the effectiveness of this Agreement.

18. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

19. The Bankruptcy Court shall have exclusive jurisdiction over this Agreement including, without limitation, the power to enforce the terms of this Agreement and enter such further orders as may be necessary and appropriate to carry out its terms.

20. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

21. Any waiver, alteration, amendment or modification of this Agreement shall be valid only if made in writing and signed by the parties to this Agreement that are affected by such waiver, alteration, amendment or modification.

22. All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or mailed by overnight courier or by registered or certified mail, postage prepaid, to the appropriate party at the address or facsimile number listed below (or at such other address or facsimile number as party may have been furnished to the other parties in writing). Any notice so addressed shall be deemed to be given: if delivered by hand or facsimile, on the date of such delivery, if a business day and delivered during regular business hours, otherwise the first business day thereafter; if mailed by courier, on the first business day

following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing:

If to LCPI or LBHI:

Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 38th Floor
New York, New York 10020
Attention: Eli Glanz Facsimile: (646) 834-0874

with copies to:

Alvarez & Marsal North America, LLC
1271 Avenue of the Americas, 38th Floor
New York, New York 10020
Attention: Ron Dooley
Facsimile: (646) 834-0874

and:

Lehman Brothers Holdings Inc.
1271 Avenue of the Americas
New York, New York 10020
Attention: Joelle Halperin
Facsimile: (646) 834-0874

and:

Weil, Gotshal & Manges LLP
1395 Brickell Avenue, Suite 1200
Miami, Florida 33131
Attention: Richard A. Morrison
Facsimile: (305) 374-7159

If to Danske:

Danske Bank A/S, London Branch
75 King William Street
London EC4N 7DT
Attn: General Manager and Head of Legal and Compliance
Facsimile: +44 (0) 20 7410 8001

with a copy to:

Venable LLP
750 E. Pratt Street, Suite 900
Baltimore, Maryland 21202
Attention: Mitchell Kolkin, Esq.
Facsimile: (410) 244-7742

[Signatures appear on the following page.]

IN WITNESS WHEREOF, this Settlement Agreement has been executed by
the undersigned as of the date first written above.

LEHMAN COMMERCIAL PAPER INC., a
New York corporation, as debtor and debtor
in possession in its chapter 11 case in the
United States Bankruptcy Court for the
Southern District of New York

By: _____
Name:
Title:

LEHMAN BROTHERS HOLDINGS INC.,
a Delaware corporation, as debtor and
debtor in possession in its chapter 11 case in
the United States Bankruptcy Court for the
Southern District of New York

By: _____
Name:
Title:

DANSKE BANK A/S, LONDON BRANCH

By: _____
Name:
Title:

By: _____
Name:
Title:

Signature page to Settlement Agreement