

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made and entered into as of the 20th day of April, 2010, by and between Millennium Partners, L.P. ("MPLP"), Millennium USA, LP ("MUSA"), Millennium Management LLC ("MM LLC") and Lehman Brothers Special Financing Inc. ("Lehman") (each of the foregoing a "Party" and collectively the "Parties").

RECITALS:

WHEREAS, MPLP, Lehman, and Lehman Brothers Holdings Inc. ("Holdings") (collectively, the "Swap Counterparties") entered into one or more transactions (each a "Transaction") that were governed by a 1992 ISDA Master Agreement (Multicurrency –Cross Border), dated as of January 30, 1995, which included certain schedules, documents, confirmations and a guaranty of the obligations of Lehman by Holdings (collectively, the "Agreement Documents").

WHEREAS, commencing on September 15, 2008 and thereafter, Holdings and certain of its affiliates, including Lehman (the "Debtors"), each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (collectively, the "Bankruptcy Cases").

WHEREAS, the Swap Counterparties wish to terminate and/or acknowledge the termination of each Transaction under the Agreement Documents as of September 16, 2008.

WHEREAS, on January 15, 2010, Lehman brought legal action against MUSA and MM LLC by filing a complaint (the "Complaint") commencing adversary proceeding number 10-02351 (the "Adversary Proceeding") in the United States Bankruptcy Court for the Southern District of New York (the "Court") seeking to recover approximately \$99,234,937, plus interest and expenses (the "Demanded Amount") for Lehman's withdrawal and payment of its limited partnership interest in MUSA, alleging certain claims against MM LLC, and seeking a declaratory judgment that MUSA did not have a right to set off the Demanded Amount against sums allegedly owed by Lehman to MPLP with respect to the Transactions and Agreement Documents.

WHEREAS, the Swap Counterparties have simultaneously entered into that certain termination agreement dated as of April 5, 2010 (the "Termination Agreement") that provides for an allowance of a general unsecured claim in favor of MPLP in the amount of the Settlement Amount (as defined in the Termination Agreement) in respect the claims arising under the Agreement Documents.

WHEREAS, as of the date hereof, the Parties have agreed to a settlement amount in favor of Lehman in the amount of \$99,000,000.00 (the "Complaint Amount") in respect of all claims asserted by Lehman in the Complaint.

NOW, THEREFORE, in consideration of the recitals set forth above and promises made herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

Section 1. Allowance of General Unsecured Claim. In consideration of the termination of the Transactions under the Agreement Documents by MPLP, and payment of the Complaint Amount, Lehman and Holdings agree to enter into the Termination Agreement.

Section 2. Dismissal of the Adversary Proceeding: In consideration of the entering into the Termination Agreement and the payment of the Complaint Amount to Lehman by MUSA within five (5) business days of the Effective Date, as that term is defined below in Section 8 Lehman agrees that the Adversary Proceeding will be dismissed with prejudice (the “Dismissal”) upon notice by Lehman to the Court of its receipt of the Complaint Amount, with each party to bear its own costs, expenses and attorney’s fees incurred in connection with the Adversary Proceeding.

Section 3. Release. In consideration of each Party’s execution of this Agreement, the Claim Allowance (as defined in the Termination Agreement), and payment of the Complaint Amount to Lehman without deduction, set-off or counterclaim, and the Dismissal, each Party on behalf of itself and any other party, person or entity claiming under or through it, hereby generally releases, discharges and acquits each other Party, and its respective current and former agents, servants, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns (each of the foregoing, a “Released Party”), from all manners of action, causes of action, judgments, executions, debts, demands, rights, damages, costs, expenses, and claims of every kind, nature, and character whatsoever, other than the Allowed Claims (as defined in the Termination Agreement) and the rights and obligations of the Parties set forth under this Agreement, whether in law or in equity, whether based on contract (including, without limitation, quasi-contract or estoppel), statute, regulation, tort (including, without limitation, intentional torts, fraud, misrepresentation, defamation, breaches of alleged fiduciary duty, recklessness, gross negligence, or negligence) or otherwise, accrued or unaccrued, known or unknown, matured, unmatured, liquidated or unliquidated, certain or contingent, that such releasing Party ever had or claimed to have or now has or claims to have presently or at any future date, against any Released Party arising under or related to the Agreement Documents or the Transactions thereunder, including but not limited to their negotiation, execution, performance, any breaches thereof, or their termination, and the allegations contained in the Complaint.

Section 4. Representations. Each Party represents and warrants to each other Party that (i) the execution, delivery, and performance by such Party of this Agreement are within the powers of such Party and have been duly authorized by all necessary action on the part of such Party and (ii) this Agreement has been duly executed and delivered by such Party and constitutes a valid and binding obligation of such Party, enforceable against such Party in accordance with the terms hereof, (iii) it is not relying upon any statements, understandings, representations, expectations, or agreements other than those expressly set forth in this Agreement, (iv) it has had the opportunity to be represented and advised by legal counsel in connection with this Agreement, which it enters voluntarily and of its own choice and not under coercion or duress, (v) it has made its own investigation of the facts and is relying upon its own knowledge and the advice of its counsel, (vi) it has no expectation that any of the other Parties will disclose facts material to the Agreement Documents or this Agreement, and (vii) it knowingly waives any and all claims that this Agreement was induced by any misrepresentation or non-disclosure and

knowingly waives any and all rights to rescind or avoid this Agreement based upon presently existing facts, known or unknown. The Parties agree and stipulate that each Party is relying upon the representations and warranties in this Section 4 in entering into the Agreement. Furthermore, the Parties agree that these representations and warranties are a material inducement for entering into this Agreement. These representations and warranties shall survive the execution of this Agreement indefinitely without regard to statutes of limitations.

Section 5. Setoff. MPLP and MUSA agree that they will not, nor will MPLP or MUSA permit any affiliate or third party to, set-off, recoup, appropriate, or otherwise apply any deposits (general, special, time or demand, provisional or final) in any currency, or any other credits, indebtedness or claims, in any currency, whether direct or indirect, absolute or contingent, matured or unmatured, that are held or owing by MPLP, MUSA or any third party or affiliate, against the Allowed Claims or the Complaint Amount and MPLP and MUSA hereby irrevocably and unconditionally waive any and all rights to do so, whether such rights arise by virtue of contract or law or otherwise.

Section 6. Other Claims. For the avoidance of doubt, nothing in this Agreement shall have any effect as to the rights of MPLP or any of its subsidiaries or affiliates against Lehman, Holdings, or any of its subsidiaries or affiliates (including without limitation Lehman Brothers Inc., Lehman Brothers International (Europe) and Lehman Brothers Finance SA) with respect to any other claims (including without limitation claims arising out of prime brokerage and derivatives relationships and the guaranteeing thereof) which are not specifically related to the Agreement Documents or the Transactions thereunder.

Section 7. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page by facsimile or PDF transmission shall be as effective as delivery of a manually executed counterpart.

Section 8. Effectiveness. The Parties agree that this Agreement is subject to the entry of an order (“Order”) by the Court approving the terms of the Agreement under Rule 9019 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), which Order does not become final until ten (10) days after its entry (the “Effective Date”). The Parties agree that each will make a good faith effort to obtain the approval of this Agreement by this Court under Bankruptcy Rule 9019.

Section 9. Governing Law/Jurisdiction. This Agreement will be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the State of New York (including Section 5-1401 of the New York General Obligations Law), without regard to conflicts of laws principles that would require the application of the law of another jurisdiction. The Court having jurisdiction over the Bankruptcy Cases shall have exclusive jurisdiction over any action or proceeding with respect to this Agreement, and each Party agrees to submit to such jurisdiction and to waive any defense based on the location or jurisdiction of such court.

Section 10. Special Provision for Unknown Claims. All rights under Section 1542 of the California Civil Code, or any analogous state or federal law, are hereby expressly WAIVED, if applicable, with respect to any of the claims, injuries, or damages described in the Release in Section 3. Section 1542 of the California Civil Code reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

Section 11. Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

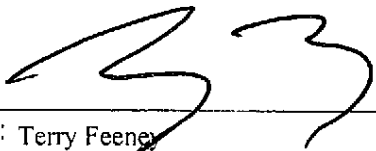
Section 12. Amendment. This Agreement may be amended, modified, superseded or canceled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived only by an instrument in writing signed by each of the Parties.

Section 13. Construction. This Agreement has been negotiated by the Parties and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any of its provisions against the Party responsible for drafting this Agreement will not apply in any construction or interpretation of this Agreement.

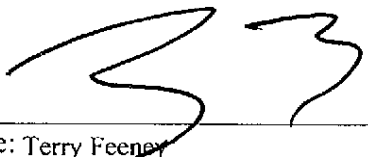
[Signature pages follow]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

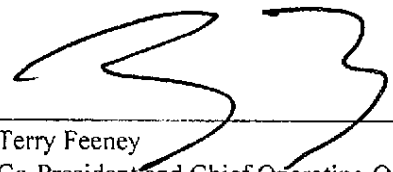
MILLENNIUM PARTNERS, L.P.
By: Millennium Management LLC, its General Partner

By: 
Name: Terry Feeney
Title: Co-President and Chief Operating Officer

MILLENNIUM USA LP
By: Millennium Management LLC, its General Partner

By: 
Name: Terry Feeney
Title: Co-President and Chief Operating Officer

MILLENNIUM MANAGEMENT LLC

By: 
Name: Terry Feeney
Title: Co-President and Chief Operating Officer

LEHMAN BROTHERS SPECIAL FINANCING
INC.

By: _____
Name: Daniel Ehrmann
Title: Vice President

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

MILLENNIUM PARTNERS, L.P.
By: Millennium Management LLC, its General Partner

By: _____
Name:
Title:

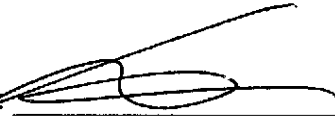
MILLENNIUM USA LP
By: Millennium Management LLC, its General Partner

By: _____
Name:
Title:

MILLENNIUM MANAGEMENT LLC

By: _____
Name:
Title:

LEHMAN BROTHERS SPECIAL FINANCING
INC.

By:  _____
Name: Daniel Ehrmann
Title: Vice President