

SPRUCE TERMINATION AGREEMENT

This Termination Agreement (the "Agreement") is entered into as of September 27, 2011, among Spruce CCS, Ltd., as issuer ("Issuer"), Spruce CCS, Corp, as co-issuer (together with the Issuer, the "Co-Issuers"), U.S. Bank National Association as trustee ("Trustee") and as collateral administrator ("Collateral Administrator"), Lehman Commercial Paper Inc., as the Subordinated Noteholder (as defined herein) and administrative agent ("LCPI") and Lehman Brothers Holdings Inc., as guarantor and as Mezzanine Noteholder ("LBHI") (collectively, the "Parties" and individually a "Party").

WHEREAS, the Issuer, the Co-Issuer and the Trustee are parties to that certain Indenture (as amended, supplemented or otherwise modified from time to time, the "Indenture") dated as of April 28, 2008;

WHEREAS, the Senior Notes (as such term is defined in the Indenture) have been paid in full on or prior to the date of this Agreement;

WHEREAS, the Mezzanine Notes (as such term is defined in the Indenture) are expected to be paid in full soon after the date of this Agreement (the date of such payment in full (or, if later, the date on which the order referred to in Section 2 becomes a Final Order (as defined herein)) the "Effective Date");

WHEREAS, LCPI is the holder of all the outstanding Subordinated Notes (as such term is defined in the Indenture); and

WHEREAS, the Parties desire to terminate the Transaction Documents (as defined herein) and the transactions contemplated by such Transaction Documents;

NOW, THEREFORE, the Parties for valuable consideration the sufficiency of which is hereby acknowledged agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings specified in the Indenture.

Closing Time means 2:00 pm New York time on the Effective Date.

"Final Order" means an order of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived in writing in form and substance satisfactory to each of the Parties or, in the event that an appeal, writ for certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or certiorari, reargument, or rehearing shall have been denied and the time to take any further appeal, petition for certiorari, or

move for reargument or rehearing shall have expired; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable law, may be filed with respect to such order shall not cause such order not to be a Final Order.

“Transaction Documents” means the Indenture, the Master Participation Agreement, the LBHI Guarantee, the Collateral Administration Agreement, the Administration Agreement and the Administrative Agency Agreement.

2. Approval by Bankruptcy Court. (a) The Parties acknowledge that the consummation of the transaction contemplated herein is subject to the entry of an order of the Bankruptcy Court, in form and substance reasonably acceptable to the Parties, approving the terms of this Agreement, which order shall be in full force and effect as of the Closing Time. (b) LCPI shall diligently move for such approval and use its commercially reasonable efforts to resolve any objections thereto or appeal thereof.

3. Cash Disposition. Provided that the Subordinated Notes have been delivered in accordance with Section 4 prior to the Closing Time, LCPI, as the holder of all the Subordinated Notes, hereby directs the Trustee to pay the balance of all monies of the Issuer held by the Trustee on the Effective Date (after payment in full of any fees, costs and expenses of the Trustee, the Collateral Administrator, the Issuer and the Co-Issuer, and payment in full of the Mezzanine Notes) to LCPI.

4. Cancellation of the Notes. As of the Effective Date, LCPI, as the holder of all of the Subordinated Notes, agrees, and the Trustee, at the direction of LCPI, acknowledges that (i) all sums payable by the Co-Issuers under the Transaction Documents have been paid and (ii) all of the obligations of the Issuer and Co-Issuer in respect of the Subordinated Notes have been fully extinguished, and LCPI further agrees that it shall surrender all of the Subordinated Notes to the Trustee for cancellation in accordance with the terms of the Indenture prior to the Closing Time.

5. Termination of the Transaction Documents. Subject to the satisfaction of the agreements contained in each of the preceding Sections, each of the Parties agrees to the termination and discharge of the Indenture and other Transaction Documents and any and all duties and obligations thereunder. Each Party hereby confirms for the benefit of the Co-Issuers that no fees, costs or expenses will become payable by the Co-Issuers to it by reason of the discharge of the Indenture or any other Transaction Document.

6. Release of Assets. In furtherance of the transactions contemplated by this Agreement and conditioned upon the payment of the fees, costs and expenses of the Issuer, Co-Issuer, Collateral Administrator and Trustee, the Trustee and the Co-Issuers hereby release their respective liens on and interests in the Collateral and the rights and claims of the Issuer under the Master Participation Agreement at the Closing Time. In connection with such release, the Trustee and the Co-Issuers hereby authorize the filing of one or more UCC-3 financing statements with (a) The District of Columbia Recorder of

Deeds, (b) the Secretary of State of New York and (c) any other applicable authority in any other applicable jurisdiction to evidence the release of the lien on such Collateral.

7. Release of Trustee, Collateral Administrator and Co-Issuers. In consideration of each other Party's execution of this Termination Agreement and the transactions contemplated hereby, LCPI, LBHI and any other party, person or entity claiming under or through them, hereby releases, discharges and acquits U.S. Bank National Association and the Co-Issuers, and their 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, 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 LBHI and LCPI ever had or claimed to have, or now has or claims to have currently or at any future date, against any Released Party arising under or related to the Indenture, the obligations thereunder including but not limited to payments on the Notes issued thereunder, or the Transaction Documents, their negotiation, execution, performance, any breaches thereof, or their termination (each a "Claim"), other than Claims resulting from a Released Party's own gross negligence or willful misconduct.

8. Waiver of Notices and Conditions. Each Party hereby agrees that (i) any and all conditions precedent (including, without limitation, any notices required to be delivered) contained in any of the Transaction Documents or other agreements referred to herein or contemplated hereby relating to the subject matter of this Agreement are hereby waived with respect to each Party, (ii) the terms of the Indenture and the other Transaction documents shall be deemed amended or otherwise waived in any manner necessary and appropriate to satisfy all of the respective conditions precedent relating to the discharge of the Indenture and the termination of the Transaction Documents and to accommodate the transactions contemplated herein, and (iii) each termination described herein shall be effective without any further action by any Party and notwithstanding any event, notice, waiting period or other condition provided for in any such Transaction Document or such other agreements referred to herein or contemplated hereby.

9. Further Assurances. Each Party hereby agrees to duly execute and deliver to LCPI or LBHI all such other and further instruments of conveyance, transfer and assignment and to take such other action as LCPI or LBHI may reasonably deem necessary to effectuate the release of the Collateral and to take such further actions as may be reasonably requested by LCPI or LBHI to obtain the full and complete benefit of such release of the rights and property intended to be released hereunder subject, in each case to the payment by LCPI or LBHI of such other Party's costs and expenses (including reasonable counsel fees and disbursements) in connection therewith; provided, however,

that a Party shall not be required to take any action which it reasonably believes is contrary to any applicable law.

10. Indemnification. LCPI shall indemnify U.S. Bank National Association, individually and as Trustee and Collateral Administrator, and the Co-Issuers for, and hold each of them harmless from and against, any damages, liabilities, losses, claims or expenses (“Losses”) arising out of, or resulting from entering into this Agreement and consummating the transactions contemplated hereby other than Losses resulting from their gross negligence or willful misconduct.

11. Execution in Counterparts. This Agreement may be executed by the Parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

12. Direction to Co-Issuers and Trustee. LBHI and LCPI, as holders as of the date of this Agreement of all outstanding Notes and Subordinated Notes, by their respective signatures hereto direct the Co-Issuers, the Collateral Administrator and the Trustee to enter into this Agreement and to consummate the transactions contemplated hereby.

13. Governing Law. THIS AGREEMENT AND ANY CLAIMS ARISING HEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO OTHERWISE APPLICABLE PRINCIPLES OF CONFLICT OF LAWS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

14. Waiver of Trial by Jury. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED TRANSACTION, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

15. Headings. The various headings of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof or thereof.

16. Execution by the Trustee and Collateral Administrator. U.S. Bank National Association is executing this Agreement solely in its capacity as Trustee and Collateral Administrator. None of U.S. Bank National Association, in its individual capacity, or its respective officers, directors, shareholders or agents shall be liable for any claim, liability or obligation arising out of this Agreement.

17. Successors and Assigns. (a) All terms and provisions of this Agreement shall be binding only upon and inure to the benefit of and be enforceable by the respective heirs, representatives, successors and assigns of the Parties hereto. No other person is intended to, or shall, be a third party beneficiary of the promises of any Party made herein.

(b) No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Parties, and any purported assignment without such consent shall be void.

18. Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all previous agreements, promises or representations, whether written or oral, among the Parties.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of day and year first above written.

LEHMAN COMMERCIAL PAPER
INC. as Debtor and Debtor in
Possession in its chapter 11 case in the
United States Bankruptcy Court for
the Southern District of New York,
Case No. 08-13900

By: 

Name: *DAVID WALSH*

Title: *VP*

LEHMAN BROTHERS HOLDINGS
INC. as Debtor and Debtor in
Possession in its chapter 11 case in the
United States Bankruptcy Court for
the Southern District of New York,
Case No. 08-13855

By: 

Name: *DAVID WALSH*

Title: *VP*

U.S. BANK NATIONAL
ASSOCIATION not individually but
as trustee and collateral administrator

By: 
Name: Brand Hosford
Title: Vice President

SPRUCE CCS, LTD.

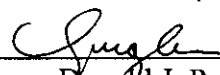
By: _____

Name:

Title:

Martin Couch
Director

SPRUCE CCS, CORP.

By: 
Name: Donald J. Puglisi
Title: President