

**DEBT RESALE AGREEMENT**

This DEBT RESALE AGREEMENT (as may be amended, modified or otherwise supplemented, this “Agreement”) is made as of \_\_\_\_\_, 2009, by and among Lehman Brothers Real Estate Mezzanine Partners II, L.P., a Delaware limited partnership, LBREM II Offshore AIV L.P., a limited partnership formed under the laws of England and Wales, (each individually a “LBREM II Fund” and collectively, the “LBREM II Funds”) and Lehman Commercial Paper Inc., a New York corporation (the “LB Lender”).

WHEREAS, it is contemplated by that certain Purchase Agreement (as may be amended, modified or otherwise supplemented, the “Purchase Agreement”) dated as of July 31, 2009, by and among the Purchasers (as defined therein), Real Estate Private Equity, Inc., Lehman Brothers Private Equity Advisers, LLC and the other parties thereto, that the LBREM II Funds and the LB Lender shall enter into this Agreement;

WHEREAS, the LBREM II Funds are in the business of investing in a broad range of mezzanine debt and other high yielding investments in real estate, primarily in the United States and Europe;

WHEREAS, the LB Lender holds the Senior Debt (as defined herein), which is senior to certain obligations that are held by the LBREM II Funds; and

WHEREAS, the LB Lender at the request of certain of their affiliates who, together with the LB Lender, are under the common control of LBHI (as defined herein) and who hold substantial equity ownership interests in the LBREM II Funds, are willing to enter into this Agreement to enhance the value of such equity interests.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Interpretation. Capitalized terms used herein and not defined herein have the meanings set forth in the Purchase Agreement.

In addition, as used in this Agreement, the following terms shall have the following meanings:

“Agreement” shall have the meaning assigned to such term in the preamble.

“Election Notice” shall have the meaning assigned to such term in Section 2(b)(i).

“LBHI” shall mean Lehman Brothers Holdings Inc., a Delaware corporation.

“LB Lender” shall have the meaning assigned to such term in the preamble.

“LBREM II Funds” shall have the meaning assigned to such term in the preamble.

“Permitted Transferee” means, with respect to any Person, an Affiliate of such Person.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, trust or other legal entity.

“Purchase Agreement” shall have the meaning assigned to such term in the recitals.

“ROFO Closing Date” shall having the meaning assigned to such term in Section 2(b)(ii).

“ROFO Deposit” shall having the meaning assigned to such term in Section 2(b)(i).

“ROFO Notice” shall having the meaning assigned to such term in Section 2(b)(i).

“ROFO Price” shall having the meaning assigned to such term in Section 2(b)(i).

“Senior Credit Agreement” means, with respect to any Senior Debt, the credit agreement, loan agreement, note purchase agreement and/or similar agreement(s), which govern the repayment of such Senior Debt, in each case as may be amended, modified or otherwise supplemented from time to time.

“Senior Debt” means any and all of the loans and obligations set forth on Schedule I.

“Transfer” shall mean, with respect to any Senior Debt, the unconditional and final sale, transfer, assignment, conveyance or other disposition by the LB Lender of its interest in such Senior Debt; provided, however, in no such event shall the granting or occurrence of a lien, encumbrance or charge or a transaction (however structured) which is entered into by the LB Lender for the purpose of obtaining financing or partial liquidity (including, without limitation, any repurchase agreement or similar transaction) be deemed to be a “Transfer”.

“Transferring Lender” shall having the meaning assigned to such term in Section 2(b)(i).

## SECTION 2. Transfer Of Senior Debt.

(a) Transfer. Subject to Section 2(b), and any applicable transfer restrictions in the relevant Senior Credit Agreement, the LB Lender may sell, transfer, assign, convey or otherwise dispose of, either, directly or indirectly, voluntarily or by operation of law, all or any part of their interest in any Senior Debt.

(b) Right of First Offer on Senior Debt.

(i) At any time, with respect to the Transfer of any Senior Debt, the LB Lender wishing to Transfer such Senior Debt (or any portion thereof) to any Person other than a Permitted Transferee of such LB Lender (the “Transferring Lender”) shall be required to provide not less than fourteen (14) days’ prior written notice (the “ROFO Notice”) to the LBREM II Funds. The ROFO Notice shall set forth all of the material terms of the proposed Transfer (including the identification of the Senior Debt to be transferred and the price payable in cash at which the Transferring Lender would be willing to sell the Senior Debt (or such portion thereof), the “ROFO Price”). Upon receipt of a ROFO Notice, the LBREM II Funds will have the right to purchase the Senior Debt on the terms set forth in the such ROFO Notice, which right may only be exercised with respect to the entire portion of the Senior Debt being offered pursuant to the ROFO Notice, exercisable by the LBREM II Funds by: (i) delivering written notice thereof to the Transferring Lender (the “Election Notice”) within fourteen (14) days after receipt of the applicable ROFO Notice; (ii) depositing with a nationally recognized title insurance company reasonably acceptable to the Transferring Lender an amount equal to five (5%) percent of the ROFO Price (the “ROFO Deposit”) within two (2) Business Days after delivery of the Election Notice (which deposit, together with accrued interest, if any, shall be credited against the ROFO Price if the purchase closes); and (iii) closing the purchase within thirty (30) days after the election by the LBREM II Funds to purchase the Senior Debt. If the LBREM II Funds fail to timely deliver an Election Notice and/or deposit the ROFO Deposit, the LBREM II Funds shall be deemed to have irrevocably waived their rights under this Section 2(b) with respect to the applicable ROFO Notice.

(ii) If the LBREM II Funds validly and timely deliver an Election Notice and deposit the ROFO Deposit, the closing by the LBREM II Funds of the purchase of the Senior Debt being offered pursuant to the ROFO Notice shall be on a date (the “ROFO Closing Date”) designated by the LBREM II Funds, which date is not more than thirty (30) days after the delivery of the Election Notice and at a place designated in the ROFO Notice (or if the ROFO Notice does not designate a closing place, at such place as may be mutually agreed upon between the Transferring Lender and the LBREM II Funds). At the closing:

(A) The Transferring Lender shall deliver to the LBREM II Funds a duly executed and acknowledged instrument of assignment (as, and to the extent, set forth in the applicable Senior Credit Agreement or to the extent not so provided in the applicable Senior Credit Agreement, in a form reasonably acceptable to the Transferring Lender), transferring the Senior Debt being offered pursuant to the ROFO Notice to the LBREM II Funds free and clear of all liens, claims, encumbrances, participations and servicing released, except to the extent otherwise provided for in the ROFO Notice;

(B) the LBREM II Funds shall pay or cause to be paid the ROFO Price (less the ROFO Deposit) to the Transferring Lender in immediately available funds; and

(C) the LBREM II Funds shall assume all obligations of the Transferring Lender under the applicable Senior Credit Agreement and the Senior Debt being offered pursuant to the ROFO Notice and shall provide the Transferring Lender with a complete release, in a form reasonably acceptable to the Transferring Lender, of any claims the LBREM II Funds or any of their affiliates may have against the Transferring Lender or any of its affiliates in connection with such Senior Debt.

(iii) If the LBREM II Funds waive (or are deemed to have waived) their right to acquire the Senior Debt offered by the Transferring Lender in a given ROFO Notice: (A) such Senior Debt may be sold by the Transferring Lender at any time during the next one hundred eighty (180) day period subsequent to the expiration of the fourteen (14) day period for the LBREM II Funds to respond to the applicable ROFO Notice upon substantially the same terms or terms that are, taken as a whole, materially no less favorable to the applicable Transferring Lender (except that in all events such Senior Debt may be sold for ninety (90%) percent or more of the ROFO Price) than those set forth in the applicable ROFO Notice, and (B) the LBREM II Funds shall have no further rights under this Agreement or with respect to the applicable Senior Debt during such one hundred eighty (180) day period.

(iv) If the LBREM II Funds shall fail to consummate the acquisition of any Senior Debt after delivery by it of an Election Notice, (A) the Transferring Lender shall have the right to sell the applicable Senior Debt to any Person; (B) the LBREM II Funds shall have no further rights under this Agreement with respect to the applicable Senior Debt; and (C) the Transferring Lender may, at its election, retain any ROFO Deposit made by the LBREM II Funds in connection with such Senior Debt as liquidated damages, and not as a penalty.

(v) To the extent that any Senior Debt is Transferred to any Person (other than a Permitted Transferee of the LB Lender) in compliance with this Agreement, the rights of the LBREM II Funds under this Agreement and with respect to such Senior Debt shall terminate.

(c) Notwithstanding anything to the contrary herein, upon (i) a foreclosure by the LB Lender, or other similar remedy taken by the LB Lender under any Senior Credit Agreement, (ii) any spin off, transfer of interest, or other similar transactions undertaken in connection with the LBHI bankruptcy that includes all or part of the Senior Debt or (iii) a transaction involving the sale, transfer or other disposition of a pool of assets that includes all or a portion of the Senior Debt in which the aggregate value of such Senior Debt included in such transaction is less than or equal to twenty-five (25%) percent of the aggregate value of such pool of assets that is being sold as a part of such transaction (with debt securities (including the Senior Debt) included in any such

pool of assets as valued by the LB Lender in its commercially reasonable discretion), the rights of the LBREM II Funds under this Agreement with respect to all or the applicable portion of the Senior Debt shall terminate.

SECTION 3. Entire Agreement. Subject to the references made to the Senior Credit Agreements as specifically set forth herein, this Agreement embodies the entire agreement and understanding among the parties with respect to the subject matter hereof and supersedes all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter.

SECTION 4. Conflicts. If any provision of this Agreement conflicts with any provision of the Senior Credit Agreements or the Purchase Agreement, this Agreement shall control as between the parties hereto.

SECTION 5. Successors and Assigns. This Agreement and the agreements contained herein shall be binding upon, and shall inure to the benefit of, the respective legal representatives, heirs, successors and assigns of the parties hereto. No assignment of this Agreement or of any rights or obligations hereunder may be made by the LBREM II Funds, directly or indirectly (by operation of law or otherwise), without the prior written consent of the LB Lender and any attempted assignment without the required consents shall be void.

SECTION 6. Amendments and Waivers. Neither this Agreement nor any provision hereof may be waived, amended, modified or terminated except pursuant to an agreement or agreements in writing entered into by the parties hereto.

SECTION 7. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt) or (ii) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

If to the LBREM II Funds, to:

PCCP, LLC  
222 N. Sepulveda Blvd, Suite 2222  
El Segundo, CA 90245  
Attention: William R. Lindsay

With a copy (which shall not constitute notice) to:

Legal Notices  
C/o PCCP, LLC  
222 N. Sepulveda Boulevard  
El Segundo, California 90245

And

Gibson, Dunn & Crutcher LLP  
333 South Grand Avenue  
Los Angeles, California 90071  
Attention: Jennifer Bellah Maguire

If to the LB Lender, to:

Lehman Brothers Holdings Inc.  
c/o Alvarez & Marsal  
1271 Avenue of the Americas, 46th Floor  
New York, NY 10020  
Attention: Jeff Fitts, Anthony Barsanti, Joelle Halperin

With a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attention: Jane E. McDonald

**SECTION 8. GOVERNING LAW; SUBMISSION TO JURISDICTION;  
CONSENT TO SERVICE OF PROCESS; WAIVER OF JURY TRIAL.**

(a) THIS AGREEMENT, AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT) THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT (INCLUDING ANY AMENDMENT, SUPPLEMENT OR WAIVER OF THIS AGREEMENT), OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY AMENDMENT, SUPPLEMENT OR WAIVER OF THIS AGREEMENT) AND THE TRANSACTIONS CONTEMPLATED HEREBY, SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

(b) EACH OF THE PARTIES:

(i) SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED WITHIN THE BOROUGH OF MANHATTAN OF THE CITY, COUNTY AND STATE OF NEW YORK OVER ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND AGREES THAT ALL CLAIMS IN RESPECT OF SUCH DISPUTE OR ANY SUIT, ACTION OR PROCEEDING RELATED THERETO MAY BE HEARD AND DETERMINED IN SUCH COURTS;

(ii) WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH SUCH PARTY 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;

(iii) 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;

(iv) IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT; AND

(v) CONSENTS TO PROCESS BEING SERVED BY ANY PARTY TO THIS AGREEMENT IN ANY SUIT, ACTION OR PROCEEDING BY THE DELIVERY OF A COPY THEREOF IN ACCORDANCE WITH THE PROVISIONS OF SECTION 7.

SECTION 9. Headings. The headings to the various paragraphs of this Agreement have been inserted for convenient reference only and shall not modify, define, limit or expand the provisions of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts shall together constitute but one and the same instrument.

SECTION 10. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction).

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

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

LEHMAN BROTHERS REAL ESTATE  
MEZZANINE PARTNERS II, L.P.

By: \_\_\_\_\_  
Name:  
Title:

LBREM II OFFSHORE AIV L.P.

By: \_\_\_\_\_  
Name:  
Title:

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. 08-13555  
(JMP)

By: \_\_\_\_\_  
Name:  
Title:

SIGNATURE PAGE TO DEBT RESALE AGREEMENT



## Schedule I

1. Loan and Security Agreement, dated as of August 28, 2008, by and between Adams Mark Mezz Holdings LLC and Lehman Commercial Paper Inc.
2. Loan and Security Agreement, dated as of August 28, 2008, by and between Irvine Mezz Holdings LLC and Lehman Commercial Paper Inc.
3. Loan and Security Agreement, dated as of August 27, 2008, by and between Archstone TIC Mezz Holdings LLC and Lehman Commercial Paper Inc.
4. Loan Facility, dated August 28 2008, by and between LBREM II Luxco S.à.r.l. and Lehman Commercial Paper Inc.