

EXHIBIT I

LEHMAN RE LTD.
c/o PriceWaterhouseCoopers Advisory Limited
Dorchester House, 7 Church Street
Hamilton, Bermuda HM11

June 11, 2009

Via Overnight Delivery

To Each of the Parties Addressed on the Attached Schedule A

Re: Pasadena St. Luke's – Mortgage Loan - Notice of Defaults

Gentlemen:

Reference is made to that certain mortgage loan in the original principal amount of \$45,219,440 made to LB/L-DS Pasadena Project, LLC, a Delaware limited liability company (“Borrower”), by Lehman ALI Inc. on October 19, 2007 (the “Loan”) pursuant to that certain Loan Agreement, dated as of October 19, 2007 (the “Loan Agreement”), which Loan is evidenced by that certain Promissory Note, dated October 19, 2007, and currently held by Lehman Re Ltd. (“Lender”), and secured, in part by that certain Guaranty of Recourse Obligations, dated as of October 19, 2007 (the “Recourse Guaranty”)(collectively, with the Loan Agreement, all other documents evidencing and/or securing the Loan, the “Loan Documents”). Capitalized terms not defined herein shall have the meaning as set forth in the Loan Agreement.

As of the date hereof, the following defaults (collectively, the “Defaults”) remain uncured under the Loan and the Loan Documents:

1. Borrower has failed to pay the Debt on the Maturity Date. This Default constitutes an “Event of Default” under Section 7.1(a) of the Loan Agreement
2. There has occurred one (1) or more events or matters constituting an “Event of Default” under the terms of Section 7.1 of the Loan Agreement and/or any of the Loan Documents.

The above items 1 through 2 are not an exhaustive list of all defaults, covenant violations, Defaults or Events of Default existing as of the date hereof. Nothing herein shall be construed as a waiver of any other default, covenant violation, Default or Event of Default, whether now existing or arising hereafter.

This letter, and any delay or failure by Lender to exercise at this time any of its rights, powers, privileges, interests and/or remedies, does not, and shall not, impair any right, power, privilege, interest and/or remedy granted to Lender under the Loan Agreement and/or any other Loan Document, or be construed to constitute a waiver of, or acquiescence in, any Default or Event of Default of Borrower, Guarantor, each Joinder Party or any other party under the Loan, the Loan Agreement, the other Loan Documents or any related document now or hereafter existing. Nothing in this letter shall in any way be deemed or construed as a modification, waiver or release by Lender of any of its rights, powers, privileges, interests and remedies under the Loan, the Loan Agreement, any of the other Loan Documents and/or otherwise at law, in equity or

otherwise, and Lender hereby expressly reserves each and every one of the rights, powers, privileges, interests and remedies of Lender under the Loan, the Loan Agreement, any of the other Loan Documents and/or otherwise at law, in equity or otherwise.

Please be advised that this letter serves as Lender's notice to Borrower and Guarantor of certain Defaults and Events of Default under the Loan Agreement and the other Loan Documents and this letter fulfills any and all other notice requirements to Borrower and Guarantor as required under the Loan Agreement and the other Loan Documents.


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Please do not hesitate to contact D. Geoffrey Hunter should you have any questions on any of the issues outlined above.

Sincerely,

LEHMAN RE LTD.,
a Bermuda corporation

By: Its Joint Provisional Liquidators
(without personal liability)

By: 
Name: D. Geoffrey Hunter
Title: Authorized Signatory

SCHEDULE "A"

LB/L-DS Pasadena Project LLC
c/o Lakeside Capital Partners
3500 West Olive Avenue, Suite 650
Burbank, California 91505
Attention: Mr. Melvin T. Andrews

DS Ventures, LLC
8383 Wilshire Boulevard, Suite 1000
Beverly Hills, California 90211
Attention: David Schwartzman

Paul Hastings Janofsky & Walker LLP
515 S. Flower Street, 25th Floor
Los Angeles, California, 90071
Attention: Robert Keane, Jr., Esq.

LB Lakeside Four LLC
10250 Constellation Boulevard, 24th Floor
Los Angeles, California 90067
Attention: Eric Kraft

Lehman Brothers Holdings Inc.
399 Park Avenue, 8th Floor
New York, New York 10022
Attention: David Broderick, Esq.

Trimont Real Estate Advisors, Inc.
Monarch Tower
3424 Peachtree Road, N.E. Suite 2200
Attention: J. Gregory Winchester

Trimont Real Estate Advisors, Inc.
2 Park Plaza, Suite 500
Irvine, California 92614-8515
Attention: Jim Hill

EXHIBIT J

LEHMAN RE LTD.
c/o PriceWaterhouseCoopers Advisory Limited
Dorchester House, 7 Church Street
Hamilton, Bermuda HM11

October 5, 2009

Via Overnight Delivery

To Each of the Parties Addressed on the Attached Schedule A

Re: Pasadena/St. Luke's – Mortgage Loan - Notice of Default

Gentlemen:

Reference is made to that certain mortgage loan in the original principal amount of \$45,219,440.00 made to LB/L-DS Pasadena Project LLC, a Delaware limited liability company (the "Borrower"), by Lehman ALI Inc. on October 19, 2007 (the "Loan") pursuant to that certain Loan Agreement, dated as of October 19, 2007 (the "Loan Agreement"), which Loan is evidenced by that certain Promissory Note, dated October 19, 2007, and currently held by Lehman Re Ltd. ("Lender"), and secured, in part by that certain Guaranty of Recourse Obligations, dated as of October 19, 2007 (the "Conditional Guaranty") (collectively, with the Loan Agreement, and all other documents evidencing and/or securing the Loan, the "Loan Documents"). Capitalized terms not defined herein shall have the meaning as set forth in the Loan Agreement.

Please be advised that the filing of a voluntary petition for bankruptcy by David Schwartzman, a Guarantor, with the U.S. Bankruptcy Court on June 1, 2009, constitutes an "Event of Default" under Section 7.1(a)(vi) of the Loan Agreement.

The above is not an exhaustive list of all defaults, covenant violations, Defaults or Events of Default existing as of the date hereof. Nothing herein shall be construed as a waiver of any other default, covenant violation, Default or Event of Default, whether now existing or arising hereafter.

This letter, and any delay or failure by Lender to exercise at this time any of its rights, powers, privileges, interests and/or remedies, does not, and shall not, impair any right, power, privilege, interest and/or remedy granted to Lender under the Loan Agreement and/or any other Loan Document, or be construed to constitute a waiver of, or acquiescence in, any Default or Event of Default of Borrower, Guarantor, each Joinder Party or any other party under the Loan, the Loan Agreement, the other Loan Documents or any related document now or hereafter existing. Nothing in this letter shall in any way be deemed or construed as a modification, waiver or release by Lender of any of its rights, powers, privileges, interests and remedies under the Loan, the Loan Agreement, any of the other Loan Documents and/or otherwise at law, in equity or otherwise, and Lender hereby expressly reserves each and every one of the rights, powers, privileges, interests and remedies of Lender under the Loan, the Loan Agreement, any of the other Loan Documents and/or otherwise at law, in equity or otherwise.

Please be advised that this letter serves as Lender's notice to Borrower and Guarantor of certain Defaults and Events of Default under the Loan Agreement and the other Loan Documents and this letter fulfills any and all other notice requirements to Borrower and Guarantor as required under the Loan Agreement and the other Loan Documents.


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Please do not hesitate to contact D. Geoffrey Hunter should you have any questions on any of the issues outlined above.

Sincerely,

LEHMAN RE LTD.,
a Bermuda corporation

By: Its Joint Provisional Liquidators
(without personal liability)

By: 
Name: D. Geoffrey Hunter
Title: Authorized Signatory

SCHEDULE "A"

LB/L – DS Pasadena Project LLC
c/o Lakeside Capital Partners
3500 West Olive Avenue, Suite 650
Burbank, California 91505
Attn: Mr. Melvin T. Andrews
Fax No.: (818-558-6273)

DS Ventures, LLC
8383 Wilshire Boulevard, Suite 1000
Beverly Hills, California 90211
Attn.: David Schwartzman
Fax No.: (323) 658-1520

Paul, Hastings, Janofsky & Walker LLP
515 S. Flower Street, 25th Floor
Los Angeles, California 90071
Attn: Robert M. Keane, Jr., Esq.
Fax No.: (213) 627-0705

LB Lakeside Four LLC
10250 Constellation Boulevard, 24th Floor
Los Angeles, California 90067
Attn: Eric Kraft
Fax No.: (310) 481-4179

Lehman Brothers Holdings Inc.
399 Park Avenue, 8th Floor
New York, New York 10022
Attn: David Broderick, Esq.

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3424 Peachtree Road, N.E.
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Atlanta, Georgia 30326

Jim Hill
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2 Park Plaza, Suite 500
Irvine, California 92614-8515