As filed with the Securities and Exchange Commission on July 5, 2001

Registration No. 333-59440

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 2

TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CBRE Holding, Inc.
(Exact name of Registrant as specified in its charter)

<TABLE>
<S> <C> <C>

Delaware	6500	94-3391143
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

</TABLE>

909 Montgomery Street, Suite 400
San Francisco, CA 94133
(415) 434-1111
(Address, including zip code, and telephone number including area code, of Registrant's principal executive offices)

Claus Moller, President
CBRE Holding, Inc.
909 Montgomery Street, Suite 400
San Francisco, CA 94133
(415) 434-1111
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

<TABLE>

Walter Stafford, Esq.	Murray Indick, Esq.	Richard Capelouto, Esq.
CB Richard Ellis Services, Inc.	BLUM Capital Partners, L.P.	Simpson Thacher & Bartlett
200North Sepulveda Boulevard, Suite 300	909 Montgomery Street	3330 Hillview Avenue
El Segundo, California 90245	San Francisco, California 94133	Palo Alto, California 94304
(310) 563-8600	(415) 434-1111	(650) 251-5000

</TABLE>

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [_]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [_]

The Registrant hereby amends this Registration Statement on such date or

dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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+The information in this preliminary prospectus is not complete and may be   +
+changed. These securities may not be sold until the registration statement   +
+filed with the Securities and Exchange Commission is effective. This   +
+preliminary prospectus is not an offer to sell nor does it seek an offer to   +
+buy these securities in any jurisdiction where the offer or sale is not   +
+permitted.   +
++

SUBJECT TO COMPLETION. DATED JULY 5, 2001.

[LOGO OF CB RICHARD ELLIS]

CBRE Holding, Inc.

3,236,639 Shares of Class A Common Stock

1,820,397 Options to Acquire Shares of
Class A Common Stock

This is an offering by CBRE Holding of (1) shares of its Class A common stock, including shares for direct ownership, shares to be held in the CB Richard Ellis Services 401(k) plan and shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan, and (2) options to acquire shares of Class A common stock of CBRE Holding. No public market currently exists for these shares or options. We do not have any current intention to apply for a listing of the shares of Class A common stock or the options on any national securities exchange or for quotation on the Nasdaq National Market.

Holders of the Class A common stock are generally entitled to one vote per share on all matters submitted to stockholders of CBRE Holding, while holders of the Class B common stock of CBRE Holding generally are entitled to ten votes per share on all matters submitted to stockholders of CBRE Holding. The rights of the Class A and Class B common stock are the same in all other respects.

Each purchaser of Class A common stock for direct ownership in this offering will be required to sign a subscription agreement. The subscription agreement will contain, among other things, significant restrictions on the transfer of the Class A common stock being offered by this prospectus. Prior to an underwritten initial public offering, holders of the Class A common stock will only be able to transfer their shares to specified family members, estate planning vehicles, affiliates and other employees of us and our subsidiaries, as well as RCBA Strategic Partners, L.P. and its affiliates. Designated managers will be prohibited from transferring any shares that are subject to a right of repurchase. For additional information regarding these transfer restrictions, you should read the section of this prospectus beginning on page 51. The options being offered by this prospectus are non-transferable.

This offering is being made in connection with the proposed merger of a wholly-owned subsidiary of CBRE Holding with and into CB Richard Ellis Services, Inc. pursuant to an amended and restated merger agreement dated as of May 31, 2001. The consummation of this offering is conditioned upon the completion of the merger. After the merger, CBRE Holding will be controlled by RCBA Strategic Partners, L.P. and its affiliates, which will be entitled to appoint a majority of the members of CBRE Holding's board of directors, generally be able to control the outcome of all matters submitted to the stockholders of CBRE Holding and under specified circumstances may require holders of CBRE Holding's capital stock to sell their shares.

See "Risk Factors" beginning on page 21 to read about factors you should consider before investing in this offering.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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	Per Share	Total
<S>	<C>	<C>
Offering price of shares of Class A common stock.....	$16.00	$51,786,224
Offering price of options to acquire shares of Class A common stock (1).....	N/A	N/A

</TABLE>

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(1) Designated members of management will be eligible to receive grants of options based on the number of shares of Class A common stock purchased by these members in the offering.

Prospectus dated , 2001.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission. Under this registration statement, we may offer our Class A common stock and options to acquire our Class A common stock

as described in this prospectus. This prospectus provides you with a general description of the securities we are offering as well as the terms of each offering. It is important for you to consider the information contained in this prospectus together with any additional information described under the heading "Where You Can Find Additional Information About Us" in making your investment decision.

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may be used only where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

PROSPECTUS SUMMARY

You should read this summary together with the entire prospectus, including the more detailed information in our financial statements and the accompanying notes appearing elsewhere in this prospectus. Unless otherwise indicated, information presented on a pro forma basis gives effect to the offers being made by this prospectus and to our acquisition of CB Richard Ellis Services, Inc., which will occur substantially simultaneously with the closing of these offerings. All references to "us," "we," "our" and "CBRE Holding" are to CBRE Holding, Inc., including what will become its wholly-owned subsidiary, CB Richard Ellis Services, and the subsidiaries of CB Richard Ellis Services, in each case after giving effect to the merger described below in the section titled "Summary of the Merger and Related Financings."

Summary of the Offerings

We have entered into a merger agreement to acquire CB Richard Ellis Services in a merger transaction. We intend to complete the merger immediately prior to consummating the offerings described below. The completion of the merger is a condition to these offerings.

In this prospectus, we use the following terms to describe the offerings that we are making:

- "Designated managers" refers to our 50 employees who on April, 1 2001 were designated by our board of directors as designated managers and were notified by us on April 24, 2001 of their designation and who are employed by us as of the completion of the merger. Our board of directors made its selection of the designated managers in consultation with the Chief Executive Officer and Chairman of the Americas of CB Richard Ellis Services based on the board of directors' and such officers' subjective determination as to which of our managers had the potential to have the greatest individual impact on our future growth and profitability.

- "Non-management employees" refers to all of our directors after the merger, all of our U.S. employees other than the designated managers and all of our independent contractors in the states of California, New York, Illinois and Washington, in each case who are employed or retained by us as of the completion of the merger.

Description of the Offerings

Shares of Class A common stock being offered by this prospectus:

<TABLE>
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Shares for direct ownership.. 1,187,982 shares

Shares to be held in the CB Richard Ellis Services 401(k) plan..... 889,819 shares

Shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan..... 1,158,838 shares
</TABLE>

Options to acquire Class A common stock being offered to the designated managers by this prospectus ..... 1,820,397 options to acquire shares of Class A common stock

Description of offering of shares for direct ownership.....

We are offering up to an aggregate of 1,187,982 shares of our Class A common stock to the designated managers and the non-management employees for direct ownership at an offering price of

$16.00 per share. The number of shares being made available in this offering assumes that both the offering of shares to be held in the CB Richard Ellis Services 401(k) plan and the offering of shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan are fully subscribed for. To the extent shares are not subscribed for in those other offerings, we will make an equivalent number of additional shares available in the offering of shares for direct ownership.

In connection with the payment of the purchase price for the shares being offered for direct ownership, each of the designated managers and the non-management employees will have the option to irrevocably assign to us the right to receive the net cash proceeds that they would otherwise be entitled to receive in the merger, if any, for each of the following:

- shares of CB Richard Ellis Services common stock owned by the designated manager or non-management employee at the time of the merger, other than those shares owned through the CB Richard Ellis Services 401(k) plan; and
- options held by the designated manager or non-management employee to acquire shares of CB Richard Ellis Services common stock.

These assigned proceeds would constitute payment for all or a portion of the shares of our Class A common stock that the designated manager or non-management employee decides to acquire in the offering for direct ownership.

In the event that this offering of shares is over-subscribed, meaning we receive offers to purchase more than the 1,187,982 shares we have set aside for this offering, we first will allocate a sufficient number of shares to the designated managers to allow them to subscribe for the minimum number of shares necessary to obtain grants of options, as described below, and all remaining shares then will be allocated proportionately among all participants in the offering of shares for direct ownership based upon the total number of those shares for which we receive subscriptions.

Grants of options to designated managers.....

In connection with the offering of shares for direct ownership, the designated managers will be eligible to receive an aggregate of up to 1,820,397 options to acquire our Class A common stock. Unless our board of directors determines otherwise, a designated manager will receive a grant of a portion of these options only if he or she subscribes for a minimum number of shares in the offering of Class A common stock for direct ownership. The minimum number of shares that a designated manager must subscribe for in order to receive an option grant is a percentage of 625,000 shares that will be allocated to that designated manager by our board of directors. The minimum number of shares that a designated manager must

subscribe for in order to receive a grant of options will be reduced by the number of deferred compensation plan stock fund units acquired by the designated manager at the closing of the

offerings by the transfer of account balances currently allocated to the deferred compensation plan insurance fund.

If a designated manager subscribes for at least his or her minimum number of shares, then we will grant to the designated manager a percentage of the 1,820,397 total options equal to the percentage of the 625,000 shares allocated to that designated manager. Subject to our right to allocate the shares to be purchased if the offering is over-subscribed, a designated manager may subscribe for more than the minimum number of shares required to receive a grant of options. However, as long as the minimum number of shares required to receive an option grant are subscribed for, the number of options granted to the designated manager will be the same regardless of the actual number of shares subscribed for.

For example, if the percentage of 625,000 shares that a designated manager must subscribe for is 1%, if the designated manager subscribes for at least 6,250 shares in the offering for direct ownership, he or she will be granted 18,204 options, representing 1% of the aggregate options available for grant to all designated managers. This will be true even if the designated manager subscribes for more than 6,250 shares.

The exercise price for each of the options granted to the designated managers will be $16.00 per share.

Subject to a designated manager's continued employment with us, all of his or her options will vest and become exercisable in 20% increments on each of the first five anniversaries of the date of the merger. All of the options will become fully vested and exercisable upon a change of control of us as defined in the option agreement. The options will not be exercisable prior to their vesting. Subject to early termination if the designated manager is no longer employed by us, his or her options will have a term of ten years. The stock options are not transferable and can only be exercised by the designated manager or his or her estate. All of the stock options are intended to be non-qualified stock options, which means that the designated managers will be subject to taxation at ordinary income rates upon their exercise.

Full-recourse note for designated managers.....

Under the circumstances described below, a designated manager may pay a portion of the purchase price for the shares of Class A common stock that he or she purchases in this offering using a full-recourse note having the terms described below. A full-recourse note is one in which all of the assets of the borrower, not just the stock being purchased with the note, are available to repay the note. The loan represented by the full-recourse note will be made

to you by us or, if we determine, by a bank. If the loan is made by a bank we will guarantee to the bank the performance by you of your obligations under the note.

Unless our board of directors determines otherwise, in order to use a full-recourse note in the offering of shares of Class A common stock for direct ownership a designated manager must subscribe for the minimum number of shares required for such designated manager to receive a

grant of options as described above. If the designated manager satisfies this requirement, the maximum amount of the full-recourse note that he or she may use will be equal to 50% of the aggregate purchase price of the minimum number of shares that must be subscribed for by the designated manager in order to receive a grant of options. The maximum amount of the full recourse note that may be used by a designated manager will be reduced by the amount, if any, of the manager's deferred compensation plan account balance currently allocated to the insurance fund that he or she transfers to stock fund units at the closing of the offerings.

For example, if a designated manager must subscribe for at least 6,250 shares for direct ownership in order to receive a grant of options, then that designated manager may use a full-recourse note only if he or she subscribes for at least 6,250 shares. If such designated manager subscribes for at least 6,250 shares, the maximum amount of the offering price that may be paid for by the designated manager using a full-recourse note is $50,000 minus the amount, if any, of the designated manager's deferred compensation plan account balance currently allocated to the insurance fund that he or she transfers to stock fund units at the closing of the offerings. The $50,000 maximum amount of the full recourse note represents 50% of the $100,000 purchase price for 6,250 shares. This maximum applies even if the designated manager subscribes for more than 6,250 shares for direct ownership.

The note will accrue interest at a market rate that we currently expect to be approximately 10% per year, which interest, unless the note terminates earlier, will be payable in cash at the end of each of our fiscal quarters. The note will have a nine-year term but will be payable in full prior to the end of that term if the designated manager's employment is terminated for any reason.

Pledge agreement.....

If a designated manager pays a portion of the purchase price for shares in this offering by delivering a full-recourse note, the designated manager must pledge as security for the note a number of shares of our Class A common stock having an offering price equal to 200% of the amount of the note. These pledged shares will be held to secure the repayment of the note. The pledge agreement will provide that, in the event the designated manager fails to repay this note, we or the bank lender, as applicable, can sell his or her pledged shares to satisfy this liability. If the proceeds from the sale

of the pledged shares are less than the remaining outstanding balance of the note and the accrued and unpaid interest, unless the designated manager previously has died or become disabled, the unpaid portion of the note will remain outstanding as an obligation of the designated manager.

A designated manager may sell pledged shares only if he or she applies the after-tax proceeds of the sale to the repayment of the full-recourse note secured by the pledge. Without our or the bank lender's, as applicable, prior written consent, the designated manager may not incur any liens on the pledged shares or enter into any agreements that would restrict our or the bank lender's as applicable, right to transfer the pledged shares.

Unless the designated manager has defaulted on the note, the designated manager will retain the right to vote the pledged shares and to receive any dividends declared on them, although we or the bank lender, as applicable, will have a lien on any dividends regarding those shares received by the designated manager prior to the repayment in full of the note.

Description of offering of shares to be held in the CB Richard Ellis Services 401(k) plan.....

We are offering to all of our U.S. employees who are currently participants in the CB Richard Ellis Services 401(k) plan up to 889,819 shares of our Class A common stock at an offering price of $16.00 per share. These shares will be held in the CB Richard Ellis Services 401(k) plan, which will be amended to add this new investment alternative.

To participate in this offering, an employee must either instruct the trustee of the 401(k) plan to sell existing investments held by the employee in the 401(k) plan and use those proceeds to purchase shares in this offering for his or her 401(k) account, or to use the proceeds received in the merger for shares of CB Richard Ellis Services common stock held by the employee in the 401(k) plan, if any, to purchase shares in this offering for his or her 401(k) account. No employee may have more than 50% of his or her entire 401(k) plan account balance invested in shares of our Class A common stock as of June 1, 2001.

If this offering is over-subscribed, the number of shares that each participating employee is able to purchase will be reduced proportionately based upon the total number of 401(k) plan shares for which we receive subscriptions.

To the extent that an employee holds shares of CB Richard Ellis Services common stock in his or her 401(k) plan account and does not elect to use the merger proceeds received for these shares to participate in this offering, he or she must instruct the trustee to invest the excess proceeds in one or more of the other investment alternatives that are available under the CB Richard Ellis Services 401(k) plan.

Description of offering of shares underlying stock fund units in the CB Richard Ellis Services' deferred compensation plan.....

A number of our current and former U.S. employees and independent contractors currently hold stock fund units in the CB Richard Ellis Services deferred compensation plan. Each stock fund unit currently gives the person who owns it the right, subject to any applicable vesting requirements, to receive one share of CB Richard Ellis Services common stock on a future distribution date as described in the plan. The deferred compensation plan has been amended to provide that, after the merger, each stock fund unit will entitle its holder to receive one share of our Class A common stock on a future distribution date under the plan, rather than a share of CB Richard Ellis Services common stock.

Each of our current U.S. employees and our current independent contractors in the states of California, New York, Illinois and Washington at the time of the merger who holds stock fund units in the CB Richard Ellis Services deferred

compensation plan that have vested prior to the merger will be entitled to do one of the following with each of these stock fund units:

- convert the value of the stock fund unit, based upon a value of $16.00 per stock fund unit, into the interest index fund alternative or any of the insurance mutual fund alternatives that are available under the deferred compensation plan; or

- continue to hold stock fund units in the deferred compensation plan.

As part of the investment alternative described in the second bullet point immediately above, we are offering up to 996,338 shares of our Class A common stock that are issuable to these holders of stock fund units upon future distributions under the deferred compensation plan.

All participants in the deferred compensation plan who are not our current U.S. employees or our current independent contractors in the states of California, New York, Illinois or Washington at the time of the merger and hold stock fund units that have vested prior to the merger must convert the value of each of these stock fund units, based upon a value of $16.00 per stock fund unit, into the interest index fund alternative or any of the insurance mutual fund alternatives that are available under the deferred compensation plan. They will not be permitted to continue to hold these stock fund units after the merger.

All stock fund units that have not vested prior to the time of the merger, including any stock fund units that will vest as a result of the merger, will automatically remain in the deferred compensation plan after the merger and represent the right to receive shares of our Class A common stock on future distribution dates as described in the plan.

Our designated managers will also have the right to transfer into stock fund units an aggregate of up to $2.6 million of deferred compensation plan account balances that are currently allocated to the insurance fund under the deferred compensation plan. We are offering up to 162,500 shares of our Class A common stock that are issuable to these holders of stock fund units upon future distributions under the deferred compensation plan.

Tax Consequences If You Subscribe to the Offerings.....

The tax consequences applicable to you will depend upon your particular situation, so you should consult your tax advisor for a full understanding of the tax consequences to you if you participate in any of the offerings. In addition, you should read the sections of this prospectus titled "U.S. Federal Tax Consequences," "U.S. Federal Tax Consequences for Non-U.S. Holders," "Description of the Plans--CB Richard Ellis Services Deferred Compensation Plan--Federal Income Tax Consequences of the Amendments" and "Description of the Plans--2001 Stock Incentive Plan--Federal Income Tax Consequences of the Awards Under the Stock Incentive Plan" for a description of tax consequences to you if you subscribe to any of the offerings.

Common Stock and Options To Be Outstanding After the Offerings.....

2,599,648 shares of Class A common stock

	10,605,966 shares of Class B common stock 13,205,614 shares of Class A and Class B common stock, taken together This number of shares is based on the closing of the merger and assumes that each of the offerings is fully subscribed. The shares outstanding exclude the following: . 2,912,636 shares of Class A common stock initially reserved for issuance upon exercise of options available for grant under our 2001 Stock Incentive Plan, including up to 1,820,397 shares underlying options granted to the designated managers in the offerings and up to 910,199 shares underlying options with an exercise price of $50.00 per share that will be available for grant to our employees in the discretion of our board of directors; . 1,841,233 shares of Class A common stock underlying stock fund units; and . 264,027 shares of Class B common stock issuable upon the exercise of warrants to acquire our Class B common stock at an exercise price of $30.00 per share.
Voting Rights.....	The Class A common stock and Class B common stock vote as a single class on all matters, except as otherwise required by law, with each share of Class A common stock entitling its holder to one vote and each share of Class B common stock entitling its holder to ten votes. The shares of Class A common stock and the shares of

	Class B common stock otherwise have the same rights. All of the shares of Class B common stock will initially be owned by members of the buying group who are described below under the section titled "Summary of the Merger and Related Financings."
Subscription Agreements	
Generally.....	Each of the designated managers and non-management employees who decides to purchase shares for direct ownership will be required to sign a subscription agreement. Any shares received from the exercise of options by the designated managers or distributions under the CB Richard Ellis Services 401(k) plan and deferred compensation plan will also be subject to the terms of the subscription agreements.
Description of terms in all subscription agreements	
Transfer restrictions....	Prior to the earlier of the tenth anniversary of the merger and the date that is 180 days after we close an underwritten initial public offering in which our Class A common stock is listed on a national securities exchange or on the Nasdaq National Market, the shares subject to the subscription agreement will have significant restrictions on transfer. Generally, the only persons to whom these shares may be transferred prior to this date are the following: . specified family members of the employee or fiduciaries acting on behalf of one of those family members; . a trust or other entity, all of the beneficial interests of which are held by the employee or a person described in the immediately prior bullet point; . us;

- RCBA Strategic Partners, L.P. and its affiliates;

- FS Equity Partners III, L.P., FS Equity Partners International, L.P. and their affiliates; or

- except for any shares subject to a right of repurchase by us, any of our employees who agrees to the terms of the subscription agreement.

If shares are transferred to anyone other than the persons listed in the third and fourth bullet points above, the transferee will become subject to most of the terms of the subscription agreement. Shares that are subject to a right of repurchase may not be transferred by a designated manager. These shares are described below under "Repurchase right."

The employee will also agree to not transfer any shares during the 30 days prior to, and up to 180 days after, any underwritten initial public offering of our Class A common stock.

Co-sale right.....

Prior to the end of the transfer restrictions, if a majority of the outstanding shares of our Class A common stock and Class B common stock, taken together, are sold to anyone other than RCBA Strategic and its affiliates, then the employee will be able to sell the same proportion of his or her shares of Class A common stock that are not subject to a right of repurchase as are being sold by the other selling stockholders. If the employee exercises this right, the sale of his or her shares will generally be on the same terms as the sale of a majority of our outstanding shares that triggered the right. However, in the event that the purchaser requires the sale to be structured as a recapitalization for financial accounting purposes, then the form of consideration paid to the majority selling stockholders may differ from the form paid to the employee.

Required sale.....

To the extent permitted by applicable law, prior to the end of the transfer restrictions, if a majority of the outstanding shares of our Class A common stock and Class B common stock, taken together, are sold to anyone other than RCBA Strategic and its affiliates, then those selling stockholders generally will be able to require the employee to sell to the same proposed transferee the same proportion of his or her shares of Class A common stock as are being sold by the selling stockholders. If the selling stockholders exercise this right, the sale of the employee's shares of Class A common stock will be on the same terms as the sale of a majority of our outstanding shares that triggered the sale. However, in the event that the purchaser requires the sale to be structured as a recapitalization for financial accounting purposes, then the form of consideration paid to the majority selling stockholders may differ from the form paid to the employee.

Confidentiality..... After signing the subscription agreement the employee will be subject to a confidentiality provision in the subscription agreement generally preventing him or her from disclosing any of our confidential information both during his or her term of employment by us and for five years afterwards.

Description of terms in only the designated manager subscription agreements	
Repurchase right.....	If a designated manager's employment with us is terminated, we will have the right to repurchase a portion of the shares that he or she purchased in the offering of shares for direct ownership for the price described below. The amount of shares initially subject to this repurchase right will be the minimum number of shares required for such designated manager to receive a grant of options as described above. However, if the number of shares actually purchased by the designated manager for direct ownership is less than this amount, then all of the shares purchased for direct ownership will initially be subject to the right of repurchase.

For example, if the minimum number of shares that must be subscribed for by the designated manager in order to receive a grant of options is 6,250 shares, if such designated manager subscribes for 6,250 shares or more then 6,250 shares will initially be subject to the right of repurchase. If the designated manager only purchases 6,000 shares, then all of these shares will initially be subject to the right of repurchase.

On each of the first five anniversaries of the merger during which the designated manager remains employed by us, 20% of the shares initially subject to repurchase will cease to be subject to this right. If the designated manager's employment by us ends, then any remaining shares subject to repurchase on the date employment ends will continue to remain subject to repurchase at all times after that date.

The price for any shares that we repurchase pursuant to this right will be the fair market value of the shares at the time the designated manager's employment ends, unless the designated manager was terminated for cause or voluntarily ended his or her employment for other than a good reason, in which case the repurchase price will be the lesser of the fair market value and the amount that the designated manager paid for those shares in the offerings.

Shares that are subject to a right of repurchase may not be transferred by the designated manager.

Sale right.....	Prior to the end of the transfer restrictions, if the designated manager is no longer employed by us and we have not exercised the repurchase right at least 20 days prior to the date that the designated manager's full-recourse note becomes due, then the designated manager generally may require us to repurchase the number of shares held by the designated manager necessary to repay the note on the date it becomes due. The purchase price for the shares that we buy upon exercise of a designated manager's sale right will be the same as we would pay if we had exercised the repurchase right. The entire purchase price for these shares will be applied to the repayment of the note. If the purchase price for these shares is not sufficient to repay the note in full then the designated manager will remain obligated to repay the remaining amount of the note.
Tax Election.....	Each designated manager will be required to make an election under Section 83(b) of the Internal Revenue Code with respect to any shares purchased that are subject to repurchase, which election means that the designated manager will have taxable ordinary income equal to the excess, if

any, of the fair market value of the shares over the amount the designated manager paid for those shares. However, we believe that the purchase price of those shares will be equal to their fair market value and accordingly, that the election will not result in any taxable income to the designated managers.

Use of Proceeds.....

We will contribute the proceeds of the offerings, the proceeds received from the sale of at least $65.0 million in aggregate principal amount of our senior notes and related Class A common stock and the proceeds received by us from the sale of shares of our Class B common stock to RCBA Strategic and Blum Strategic Partners II, L.P. to our subsidiary, BLUM CB Corp. In connection with the merger of BLUM CB with and into CB Richard Ellis Services, CB Richard Ellis Services will use these proceeds, together with the proceeds from the issuance by BLUM CB of 11 1/4% senior subordinated notes and borrowings under a new credit agreement to be entered into by it, for the following uses:

- payment of $16.00 per share to the holders of CB Richard Ellis Services common stock at the time of the merger, other than the members of the buying group listed on the next page;
- repayment of substantially all of the outstanding indebtedness of CB Richard Ellis Services at the time of the merger;
- loans to be made to Ray Wirta and Donald Koll to replace existing margin loans;
- payment of the fees and expenses incurred in connection with the merger transactions described below and the offerings; and
- working capital and other general corporate purposes.

For additional information regarding the use of the proceeds of the offerings, you should read the section of this prospectus titled "Use of Proceeds."

Summary of the Merger and Related Financings

In this prospectus, we refer to the merger and the related financings described below, other than the offerings being made by this prospectus, as the "merger transactions."

Merger Agreement

We are making the offerings in connection with our acquisition of CB Richard Ellis Services pursuant to the amended and restated merger agreement, dated as of May 31, 2001, among us, CB Richard Ellis Services and our subsidiary, BLUM CB Corp. Upon the satisfaction or the waiver of conditions described in the merger agreement, BLUM CB will merge into CB Richard Ellis Services. The stockholders of CB Richard Ellis Services at the time of the merger, other than the buying group described below who will receive shares of our Class B common stock instead, will have the right to receive $16.00 in cash for each share of CB Richard Ellis Services common stock that they own. As a result of this merger, CB Richard Ellis Services will become the direct, wholly-owned subsidiary of CBRE Holding and the common stock of CB Richard Ellis Services will be delisted from the New York Stock Exchange. Accordingly, CB Richard Ellis Services will no longer be a publicly traded company after the merger.

This prospectus relates to offerings by us of (1) shares of CBRE Holding Class A common stock, including shares for direct ownership, shares to be held in the CB Richard Ellis Services 401(k) plan and shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan, and (2)

options to acquire shares of CBRE Holding Class A common stock. The proceeds from these offerings will be used to fund in part the merger transactions. The offerings being made by this prospectus are conditioned upon completion of the merger.

The Buying Group

Contribution and Voting Agreement

On May 31, 2001, an amended and restated contribution and voting agreement was signed by the following persons:

- RCBA Strategic, which is an affiliate of BLUM Capital Partners, L.P. and Richard Blum and Claus Moller, each of whom will be one of our directors after the merger;

- FS Equity Partners III, L.P. and FS Equity Partners International, L.P., which we refer to together as "Freeman Spogli," which are affiliates of Freeman Spogli & Co. Incorporated and Bradford Freeman, who will be one of our directors after the merger;

- Raymond Wirta, who will be one of our directors and our Chief Executive Officer after the merger;

- Brett White, who will be one of our directors and our Chairman of the Americas after the merger;

- The Koll Holding Company, which is controlled by Donald Koll, who is a director of CB Richard Ellis Services prior to the merger; and

- Frederic Malek, who is a director of CB Richard Ellis Services prior to the merger.

In this prospectus, we refer to RCBA Strategic and Blum Strategic Partners II, L.P. as the "BLUM Funds" and the BLUM Funds together with the persons identified in each of the preceding bullet points as the "buying group." As of the date of the prospectus, the members of the buying group and their affiliates beneficially own approximately 39% of the outstanding shares of CB Richard Ellis Services common stock.

Pursuant to the amended and restated contribution and voting agreement, immediately prior to the merger, each of the members of the buying group will contribute to us all of the shares of CB Richard Ellis Services common stock that he or it directly owns. Each of these shares contributed to us will be cancelled as a result of the merger. We will issue one share of our Class B common stock in exchange for each share of CB Richard Ellis Services common stock contributed to us. This will result in the issuance to the buying group of an aggregate of 8,052,087 shares of our Class B common stock in exchange for these contributions. For purposes of our financial statements, the 8,052,087 shares of CB Richard Ellis Services common stock being contributed to us along with warrants to be issued to Freeman Spogli will be valued at $122,507,229. Other than 2,345,900 of the shares being contributed to us by RCBA Strategic that we will value at RCBA Strategic's historical equity basis of $12.87 per share for purposes of our financial statements, all of the shares of CB Richard Ellis Services common stock being contributed to us by the buying group are being valued at $16.00 per share. The $16.00 per share value is the same amount per share as the amount of cash that stockholders of CB Richard Ellis Services, other than the members of the buying group, will receive for their shares in the merger. The $16.00 per share value is also the offering price of the shares of our Class A common stock being offered by this prospectus.

Also pursuant to the amended and restated contribution and voting agreement, the BLUM Funds have agreed to purchase for cash immediately prior to the merger a minimum of 2,553,879 shares of our Class B common stock at $16.00 per share. In addition, the BLUM Funds have agreed to purchase for $16.00 per share in cash an additional number of shares of Class B common stock equal to (1) 3,236,639 shares minus (2) the number of shares of our Class A common stock and stock fund units subscribed for in the offerings plus (3) the aggregate amount of full-recourse notes delivered by designated managers divided by $16.00. The number of shares purchased by the BLUM Funds will be reduced by 241,885 shares, which is the sum of the 10 shares of CBRE Holding common stock initially owned by RCBA Strategic and the 241,875 shares of CBRE Holding common stock purchased by RCBA Strategic for $16.00 per share in connection with the closing of the sale of 11 1/4 senior subordinated notes by BLUM CB Corp. as described below. The proceeds from the sale of those shares to RCBA Strategic were contributed to BLUM CB Corp., which deposited the proceeds in an escrow account for release when the merger is completed. After the offerings have been completed, depending upon the amount to which the offerings are subscribed, the

shares of our Class B common stock owned by the buying group will be equal to between approximately 80% and 96% of our outstanding Class A and Class B common stock, taken together. Only the members of the buying group will have an opportunity to acquire shares of our Class B common stock.

Securityholders' Agreement

In connection with the closing of the merger, the members of the buying group, together with DLJ Investment Funding, Inc. and its affiliates, and the other purchasers of our 16% senior notes and related Class A common stock will enter into a securityholders' agreement. The shares subject to the securityholders, agreement will represent a majority of the voting power of our outstanding Class A and Class B common stock, taken together. Pursuant to the securityholders' agreement, each of the members of the buying group will agree to vote each of the shares of Class B common stock it or he beneficially owns to elect to our board of directors individuals designated by the buying group. RCBA Strategic will initially designate three of our eight directors and have the right in its discretion to increase our board of directors by three members and designate six of eleven members. In addition, Blum Strategic Partners II will initially designate one director.

Also pursuant to the securityholders' agreement, subject to exceptions, each member of the buying group other than the BLUM Funds will agree to vote each of the shares of Class B common stock it or he beneficially owns on matters to be decided by our stockholders in the same manner as RCBA Strategic votes the shares of our Class B common stock that it beneficially owns. The exceptions apply to transactions between the BLUM Funds or their affiliates and us or our subsidiaries and to amendments to our certificate of incorporation or

bylaws that adversely affect the other members of the buying group relative to the BLUM Funds. As a result, on most matters to be decided by our stockholders after the merger, RCBA Strategic will be able to control the outcome. Our board of directors will determine whether an amendment to our certificate of incorporation or bylaws adversely affects the other members of the buying group relative to the BLUM Funds. To the extent that a member of the buying group does not agree with our board of directors determination that an amendment does not adversely affect such member relative to the BLUM Funds, such member of the buying group may commence legal action challenging the determination of our board of directors. The securityholders' agreement also contains terms regarding transfer restrictions, participation rights, registration rights and a right of first offer in favor of the BLUM Funds.

Debt Financing for the Merger

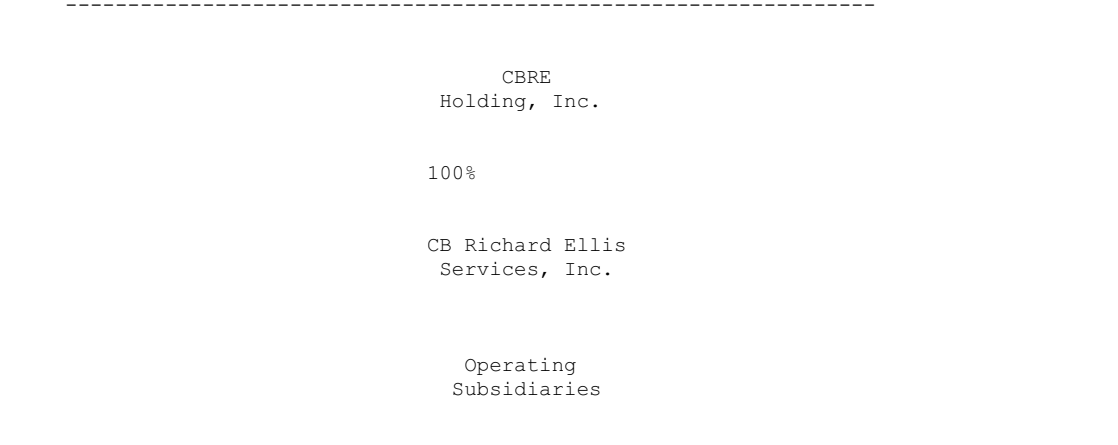
In connection with the merger transactions, we will issue and sell to DLJ Investment Funding, Inc. $65.0 million in aggregate principal amount of our 16% Senior Notes due 2011 and 521,847 shares of our Class A common stock for an aggregate purchase price of $65.0 million. Also in connection with the merger, CB Richard Ellis Services will assume $229 million in aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 issued and sold by BLUM CB Corp. for approximately $225.6 million on June 7, 2001. The net proceeds from the sale of those notes by BLUM CB Corp. are currently being held in an escrow account and will be released when the merger transactions are completed. These 11 1/4 senior subordinated notes are guaranteed by us. In addition, CB Richard Ellis Services will enter into a new senior secured credit agreement with Credit Suisse First Boston and other lenders under which CB Richard Ellis Services will borrow up to $225 million in term loans. The credit agreement will also include a $100.0 million revolving credit facility, which is intended to finance our working capital requirements and a portion of which will be drawn upon at the time of the merger. The credit agreement will be guaranteed by us and many of the subsidiaries of CB Richard Ellis Services and secured by a pledge of stock of many of the subsidiaries of CB Richard Ellis Services, as well as a pledge of substantially all of our other assets. If the merger had occurred on March 31, 2001, on a pro forma basis we would have incurred an aggregate of $554.0 million of indebtedness, excluding any additional borrowings under the revolving credit facility that would have been required to finance our working capital needs, to finance the merger transactions.

Our Structure After the Merger Transactions

The following chart summarizes our corporate structure and the ownership of our Class A and Class B common stock and stock fund units in the CB Richard Ellis Services deferred compensation plan after the consummation of the merger transactions and assuming the offerings are fully subscribed for and no shares

are paid for with full-recourse notes. The ownership summarized in the chart below does not include options or warrants to purchase our Class A or Class B common stock.

The BLUM Funds (2)	Freeman Spogli (2)	Other Members of the Buying Group (1)(2)	Designated Managers and Non-Management Employees (1)(3)	401(k) Plan (3)	DLJ Investment Funding, Inc. and other purchasers of our senior notes
39.3%	22.4%	8.9%	20.1%	5.9%	3.4%



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(1) For the purposes of this chart, all shares owned by Raymond Wirta and Brett White are included with the Other Members of the Buying Group and not with the Designated Managers.

(2) These individuals or entities will hold our Class B common stock, which is entitled to ten votes per share.

(3) These individuals or entities will hold our Class A common stock, which is entitled to one vote per share, or stock fund units in the CB Richard Ellis deferred compensation plan, which are nonvoting prior to a distribution of the underlying Class A common stock under the plan.

CBRE Holding, Inc. and CB Richard Ellis Services, Inc.

Our business after the merger will be the same as the business of CB Richard Ellis Services and its subsidiaries before the merger. CB Richard Ellis Services is the largest global commercial real estate services firm in terms of revenue offering a full range of services to commercial real estate occupiers, owners, lenders and investors. Through its 250 offices, it provides, under the CB Richard Ellis brand name and the CB Hillier Parker brand name in the United Kingdom, services on a local, national and international basis across approximately 100 markets in 44 countries. During 2000, CB Richard Ellis Services advised on approximately 25,000 lease transactions involving aggregate rents, under the terms of leases facilitated, of approximately $26.0 billion and approximately 7,500 sales transactions with transaction values totaling approximately $26.0 billion. Also during 2000, CB Richard Ellis Services managed approximately 516 million square feet of property, provided investment management services for $10.0 billion of assets, originated nearly $7.2 billion in loans, serviced $16.7 billion in loans, engaged in approximately 32,000 valuation/appraisal and advisory assignments and serviced approximately 1,400 subscribers with proprietary research. In addition, at March 31, 2000 CB Richard Ellis Services employed approximately 9,700 employees.

We filed our certificate of incorporation in Delaware in February 2001 under the name BLUM CB Holding Corp. We changed our name to CBRE Holding, Inc. in March 2001. Our principal executive offices are currently located at 909 Montgomery Street, Suite 400, San Francisco, California 94133 and our telephone number is (415) 434-1111. Following the merger our principal executive offices will be located at 200 North Sepulveda Boulevard, El Segundo, California 90245-4380 and our phone number will be (310) 563-8600.

Unless otherwise noted, this prospectus assumes the consummation of the merger transactions.

Summary Consolidated Financial Data

The following table is a summary of CB Richard Ellis Services' historical consolidated financial data for the periods presented, as well as the pro forma combined financial data of CBRE Holding giving effect to the merger transactions, the consummation of the offerings and the application of the net proceeds as described under the section of this prospectus titled "Use of Proceeds." You should read this data along with the sections of this prospectus titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Combined Financial Statements" and the audited consolidated financial statements and related notes of CB Richard Ellis Services and CBRE Holding included elsewhere in this prospectus. The unaudited pro forma combined statement of operations data do not purport to represent what our results of operations would have been if the merger transactions had occurred as of the date indicated or what our results will be for future periods. The results include the activities of two of the companies previously acquired by CB Richard Ellis Services, namely REI, Ltd. from April 17, 1998, and Hillier Parker May and Rowden from July 7, 1998. For the year ended December 31, 1998, basic and diluted loss per share include a deemed dividend of $32.3 million on the repurchase of CB Richard Ellis Services' preferred stock. See per share information in Note 9 to the Consolidated Financial Statements of CB Richard Services and Note 8 to the unaudited pro forma combined statement of operations.

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	Year Ended December 31,			Quarter Ended March 31,		Pro Forma Combined Year Ended December 31,	Pro Forma for the Quarter Ended March 31,
	1998	1999	2000	2000	2001	2000	2001
	(in thousands, except share and per share numbers and ratios)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Consolidated Statement of Operations Data:							
Revenue	$1,034,503	$1,213,039	$1,323,604	$ 260,919	$ 272,498	$1,323,604	$ 272,498
Operating income	78,476	76,899	107,285	9,239	2,325	101,803	1,317
Interest expense, net	27,993	37,438	39,146	9,196	8,255	65,687	15,284
Net income	24,557	23,282	33,388	20	(2,846)	10,214	(8,659)
Basic earnings (loss) per share	(0.38)	1.11	1.60	--	(0.13)	0.69	(0.59)
Weighted average shares outstanding for basic earnings (loss) per share	20,136,117	20,998,097	20,931,111	20,819,268	21,309,550	14,720,963	14,720,963
Diluted earnings (loss) per share	$ (0.38)	$ 1.10	$ 1.58	$ --	(0.13)	$ 0.69	(0.59)
Weighted average shares outstanding for diluted earnings (loss) per share	20,136,117	21,072,436	21,097,240	20,851,184	21,309,550	14,759,486	14,720,963
Ratio of earnings to fixed charges (1)	2.17	1.79	2.15	0.97	0.63	1.43	0.37

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	Year Ended December 31,			Quarter Ended March 31,		Pro Forma for the Year Ended December 31,	Pro Forma for the Quarter Ended March 31,
	1998	1999	2000	2000	2001	2000	2001

	(in thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Other Data:							
Net cash (used in) provided by operating activities.....	$ 76,614	$ 74,011	$ 84,112	$(67,522)	$(104,263)	$ 84,112	$(104,263)
Net cash (used in) provided by investing activities.....	(223,520)	(26,767)	(35,722)	6,314	(536)	(35,722)	(536)
Net cash (used in) provided by financing activities.....	119,438	(37,721)	(53,523)	58,794	104,940	(53,523)	104,940
EBITDA, excluding merger-related and other nonrecurring charges (2).....	127,246	117,369	150,484	19,808	14,021	149,130	13,647

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(1) Includes a deficiency of $0.4 million for the quarter ended March 31, 2000, a deficiency of $5.2 million for the quarter ended March 31, 2001 and a deficiency of $13.2 million for the pro forma quarter ended March 31, 2001.

(2) EBITDA, excluding merger-related and other nonrecurring charges, represents earnings before interest expense, income taxes, depreciation and amortization of intangible assets and excludes merger-related and other nonrecurring charges. Our management believes that the presentation of EBITDA, excluding merger-related and other nonrecurring charges, will enhance a reader's understanding of our operating performance and ability to service debt as it provides a measure of cash generated subject to the payment of interest and income taxes, that can be used by us to service debt and for other required or discretionary purposes. EBITDA, excluding merger-related and other nonrecurring charges, should not be considered as an alternative to operating income determined in accordance with GAAP or operating cash flow determined in accordance with GAAP. Our calculation of EBITDA, excluding merger-related and other nonrecurring charges, may not be comparable to similarly titled measures reported by other companies.

EBITDA, excluding merger related and other nonrecurring charges, is calculated as follows:

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	Year Ended December 31,			Quarter Ended March 31,		Pro Forma Condensed Year Ended December 31,	Pro Forma for the Quarter Ended March 31,
	1998	1999	2000	2000	2001	2000	2001
	(in thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operating Income.....	$ 78,476	$ 76,899	$107,285	$ 9,239	$ 2,325	$101,806	$ 1,317
Add:							
Depreciation and Amortization.....	32,185	40,470	43,199	10,569	11,696	47,324	12,330
Merger Related and Other Nonrecurring Charges.....	16,585	--	--	--	--	--	--
Adjusted EBITDA.....	$127,246	$117,369	$150,484	$19,808	$14,021	$149,130	$13,647

</TABLE>

The following table contains consolidated balance sheet data of CB Richard Ellis Services as of December 31, 2000 and March 31, 2001 on an actual basis and CBRE Holding on a pro forma basis. The pro forma data gives effect to the merger transactions as if they had occurred on March 31, 2001.

<TABLE>
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	As of December 31, 2000	As of March 31, 2001	Pro Forma As of March 31, 2001
	(in thousands)		
<S>	<C>	<C>	<C>
Consolidated Balance Sheet Data:			
Cash and cash equivalents.....	$ 20,854	$ 20,339	$ 1,485

Total assets	963,105	931,296	1,085,547
Long-term debt, excluding current portion	303,571	409,653	516,286
Total liabilities	724,018	704,037	845,557
Total stockholders' equity	235,339	224,292	237,023

</TABLE>

RISK FACTORS

The offerings being made by this prospectus involve a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus before deciding to invest in shares of our Class A common stock. If any of the following risks or uncertainties actually occur, our business, financial condition and operating results would likely suffer. In that event, you could lose all or part of the money you paid in the offerings.

Risks Related to the Merger Transactions

Our substantial leverage could harm our ability to operate our business and fulfill our debt obligations.

We will be highly leveraged after the closing of the merger transactions and will have significant debt service obligations. As of March 31, 2001 after giving effect to the merger transactions on a pro forma basis, we would have had total debt of approximately $561.7 million (net of $11.7 million of unamortized discounts), excluding unused commitments under our new revolving credit facility, and total stockholders' equity of $237.0 million. Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay when due the principal of, interest on or other amounts due in respect to our indebtedness. For fiscal year 2000, after giving effect to the merger transactions on a pro forma basis, our interest expense would have been $68.2 million. We may incur additional debt from time to time to finance strategic acquisitions, investments, joint ventures or for other purposes, subject to the restrictions contained in our indebtedness documents.

Our substantial debt could have important consequences to you, including the following:

- we will be required to use a substantial portion, if not all, of our cash flow from operations to pay principal and interest on our debt, and our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, strategic acquisitions, investments, joint ventures and other general corporate requirements;

- our interest expense could increase if interest rates in general increase because all of our debt under our credit agreement, including up to $225 million in terms loans and a revolving credit facility of up to $100 million, bears interest at floating rates generally between LIBOR plus 3.25% and LIBOR plus 3.75% or between the alternate base rate plus 2.25% and the alternate base rate plus 2.75%;

- our substantial leverage will increase our vulnerability to general economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;

- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and in the real estate services industry generally; and

- our failure to comply with the financial and other restrictive covenants in our debt instruments, which require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could harm our business or prospects and could result in our bankruptcy.

We cannot be certain that our earnings will be sufficient to allow us to pay principal and interest on our debt, and meet our other obligations. If we do not have sufficient earnings, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell more securities. We cannot guarantee that we will be able to refinance our debt, sell assets, borrow money or sell more securities on terms acceptable to us or at all.

Our substantial leverage is one of the reasons why an investment in our Class A common stock is significantly more risky than an existing investment in CB Richard Ellis Services common stock.

Servicing our indebtedness requires a significant amount of cash, and our ability to generate cash depends on many factors beyond our control.

We expect to obtain from our operations the cash to make payments on our senior notes, the senior secured credit facilities, the 11 1/4% senior subordinated notes due 2011 of BLUM CB Corp., which will be assumed by CB Richard Ellis Services in connection with the merger, and the 8 7/8% senior subordinated notes due 2006 of CB Richard Ellis Services to the extent not tendered in connection with the merger transactions, and to fund working capital, strategic acquisitions, investments, joint ventures and other general corporate requirements. Our ability to generate cash from our operations is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. As a result, we cannot assure you that our business will generate sufficient cash flow from operations, that we will realize currently anticipated cost savings, revenue growth and operating improvements on schedule or at all or that future borrowings will be available to us under our revolving credit facility, in each case, in amounts sufficient to enable us to service our debt and to fund our other liquidity needs. If we cannot service our debt, we will have to take actions such as reducing or delaying strategic acquisitions, investments and joint ventures, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all. In addition, the terms of existing or future debt agreements, including the new credit agreement and the indentures for the senior notes and the 11 1/4% senior subordinated notes, may restrict us from adopting any of these alternatives.

We will be able to incur more indebtedness, which may intensify the risks associated with our substantial leverage, including our ability to service our indebtedness.

The credit agreement and the indentures relating to the senior notes and the 11 1/4% senior subordinated notes due 2011 will permit us, subject to specified conditions, to incur a significant amount of additional debt. The conditions to incurrence of this debt include customary conditions in agreements for senior bank financing and high yield securities, including a requirement that our ratio of EBITDA to consolidated interest expense, determined after giving effect to any proposed new incurrence of debt, not exceed a specified ratio to be agreed. In addition, we may incur additional debt under our $100 million revolving credit facility. If we incur additional debt above the levels in effect upon the closing of the merger transactions, the risks associated with our substantial leverage, including our ability to service our debt, could intensify.

If we fail to meet our payment or other obligations under the new credit agreement, the lenders under our credit agreement could foreclose on, and acquire control of, substantially all of our assets.

In connection with the incurrence of indebtedness under the new credit agreement upon the closing of the merger transactions, the lenders under the new credit agreement will receive a pledge of all of the equity interests of our significant domestic subsidiaries, including CB Richard Ellis Services, CB Richard Ellis, Inc., CB Richard Ellis Investors, L.L.C. and L.J. Melody & Company, and 65% of the voting stock of our foreign subsidiaries that are held directly by us or our domestic subsidiaries. Additionally, these lenders generally will have a lien on substantially all of our accounts receivable, cash, general intangibles, investment property and future acquired material property. As a result of these pledges and liens, if we fail to meet our payment or other obligations under the new credit agreement, the lenders under the credit agreement would be entitled to foreclose on substantially all of our assets and liquidate these assets. Under those circumstances, the holders of our Class A common stock may lose the entire value of their investment.

As a result of the merger transactions, we will be controlled by RCBA Strategic whose interests may be different than yours.

On the closing of the merger transactions, RCBA Strategic will own approximately 36.7% of our outstanding Class A and Class B common stock, taken together, assuming (1) the offerings are fully subscribed for and (2) no shares are paid for by designated managers with full-recourse notes. To the extent these offerings to employees are not fully subscribed for or are paid for with full-recourse notes, RCBA Strategic will

purchase additional shares of CBRE Holding Class B common stock and its percentage ownership will increase. In addition, on the closing date, RCBA Strategic will enter into a securityholders' agreement with the other holders of our Class B common stock, DLJ Investment Funding, Inc. and the other purchasers of our senior notes. The Class A and Class B common stock subject to the securityholders' agreement will represent approximately 87% of the voting power of our outstanding Class A and Class B common stock, taken together, assuming the offerings are fully subscribed for and no shares are paid for by

designated managers with full-recourse notes. As a result of the percentage of our voting power owned by RCBA Strategic and the other parties to the securityholders' agreement and the rights granted to RCBA Strategic pursuant to the securityholders' agreement, we will be controlled by RCBA Strategic, which control will have, among others, the effects indicated below.

- General Voting: Subject to exceptions in the securityholders' agreement, RCBA Strategic will control the outcome of all votes of holders of our Class A and Class B common stock, taken together.

- Board: RCBA Strategic will have the right to designate a majority of the members of our board of directors.

- Change of Control: RCBA Strategic generally will be able to prevent any transaction that would result in a change of control of us. Subject to exceptions in the securityholders' agreement, RCBA Strategic also will be able to cause a change of control. In addition, as a result of the terms of the subscription agreement required to be executed in connection with participating in the offerings, if the BLUM Funds and other stockholders agree to sell common stock equal to at least a majority of our outstanding Class A common stock and Class B common stock, taken together, then the BLUM Funds will be able to require you to sell your Class A common stock to the purchaser as well.

In connection with RCBA Strategic's control of us, the interests of RCBA Strategic may differ significantly from yours and your ability to sell your shares of Class A common stock prior to an underwritten initial public offering of our Class A common stock will be extremely limited pursuant to the terms of the subscription agreement.

The new credit agreement and the indentures governing our new senior notes and the 11 1/4% senior subordinated notes will impose significant operating and financial restrictions on us, and in the event of default, all of these borrowings would become immediately due and payable.

The indentures for our new senior notes and for BLUM CB Corp.'s 11 1/4% senior subordinated notes due 2011 will impose, and the terms of any future debt may impose, operating and other restrictions on us, CB Richard Ellis Services and many of our subsidiaries. These restrictions will affect, and in many respects will limit or prohibit the ability of us, CB Richard Ellis Services and our other restricted subsidiaries after the merger to:

- incur or guarantee additional debt;
- pay dividends or distributions on capital stock;
- repurchase equity interests;
- make investments;
- create restrictions on the payment of dividends or other amounts to us;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- create liens;
- enter into transactions with affiliates; and
- enter into mergers or consolidations.

In addition, the new credit agreement will include other and more restrictive covenants and prohibit us from prepaying most of our other debt while debt under the credit agreement is outstanding. The new credit agreement will also require us to maintain compliance with specified financial ratios. Our ability to comply with these ratios may be affected by events beyond our control.

The restrictions contained in the indenture and the credit agreement could:

- limit our ability to plan for or react to market conditions or meet capital needs or otherwise restrict our activities or business plans; and
- adversely affect our ability to finance our operations, strategic acquisitions, investments or alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these restrictive covenants or our inability to comply with the required financial ratios could result in a default under the new credit agreement and the indentures governing the senior notes and the 11 1/4% senior subordinated notes due 2011. If any such default occurs, the lenders under the credit agreement and the holders of the senior notes and the 11 1/4% senior subordinated notes, pursuant to the respective indentures may elect to declare all borrowings outstanding, together with accrued interest and other fees, to be immediately due and payable. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings. If we are unable to repay outstanding borrowings when due, the lenders under the credit agreement will also have the right to proceed against the collateral granted to them to secure the debt, which includes our available cash. If the debt under the credit agreement, the senior notes, and the 11 1/4% senior subordinated notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full that debt and our other debt.

We are a party to numerous lawsuits, including lawsuits related to merger transactions, which if determined adversely to us, could result in the imposition of damages against us and could harm our business and financial condition.

Both BLUM CB Corp. and CB Richard Ellis Services have been subject to putative class action lawsuits in Delaware and California in connection with the announcement of the merger transactions. These actions all alleged that BLUM CB's offering price was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages. Although BLUM CB and CB Richard Ellis Services entered into a memorandum of understanding with respect to the actions that have been filed in Delaware that may lead to a settlement, there are numerous conditions to the settlement and not all of them may be satisfied. In addition, we may be subject to other lawsuits in connection with the merger transactions that have not yet been filed. In the event that the current lawsuits with respect to the merger transactions are not settled or we become subject to additional suits, these lawsuits could result in the imposition of damages against us or CB Richard Ellis Services. In the event that damages are awarded, our business and financial condition could be harmed.

In addition, CB Richard Ellis Services is the defendant in numerous lawsuits filed in the ordinary course of business. Although it is defending these claims, CB Richard Ellis Services cannot be certain that these cases will be resolved in its favor, and its insurance policies may not cover any such losses. Any losses not covered by insurance could adversely impact our business.

Risks Related to Our Business

The success of our business is significantly related to general economic conditions, and accordingly, our business could be harmed by an economic slowdown or recession.

In the latter part of the first quarter of 2001, the business of CB Richard Ellis Services was adversely affected by a slowdown in the U.S. economy in general, and certain local and regional U.S. economies in particular, which have led to deteriorating commercial real estate market conditions. Its first quarter results reflected a slowdown in its U.S. sales activities beginning in February and a slowdown in its U.S. lease activities

beginning in March, as well as lower than expected revenues in Europe and Asia Pacific. This weakness in sales and lease activities has continued into the second quarter. Operating results for the second quarter ending June 30, 2001 will be considerably below our operating results for the second quarter ending June 30, 2000.

Periods of economic slowdown or recession in the United States and in other countries, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, can harm many segments of our business. These economic conditions could result in a general decline in rents which in turn would reduce revenues from property management fees and brokerage commissions derived from property sales and leases. In addition, these conditions could lead to a decline in sale prices as well as a decline in demand for funds invested in commercial real estate and related assets. An economic downturn or a significant increase in interest rates also may reduce the amount of loan originations and related servicing by our commercial mortgage banking business. If our brokerage and mortgage banking businesses are negatively impacted, it is likely that other segments of our business will also suffer, due to the relationship among our various business segments. Further, as a result of our debt level and the terms of the debt instruments we will enter into in connection with the merger transactions, our vulnerability to adverse general economic conditions will be heightened.

The sharp downturn in the commercial real estate market beginning in the late 1980s in the United States caused, and downturns in the future may again cause, some property owners to dispose of or lose their properties through foreclosures and has caused many real estate firms to undergo restructuring or changes in control. Changes in the ownership of properties may be accompanied by a change in property and investment management firms and could cause us to lose management agreements or make the agreements we retain less profitable.

We may not be able to implement our cost savings strategy; and even if we are able to implement it, this strategy may not reduce our operating expenses by as much as we anticipate and could even compromise our business.

In light of the recent slowdown in the U.S. economy and the decline in the operating performance of CB Richard Ellis Services, it has announced a major cost cutting program in May 2001. As part of this plan, it intends to reduce its work force, reduce the bonuses it pays to managers and reduce other operating and back office expenses. While it expects to realize between approximately $35 to $40 million in cost savings during the remainder of 2001, excluding one-time severance costs, we cannot assure you that we and CB Richard Ellis Services will be able to implement the plan during 2001 or at all. Even if we are able to implement the plan, it may yield substantially less savings than we expect. In fact, the implementation of the plan could adversely affect our revenue, as it could create inefficiencies in our business operations, result in labor disruptions and limit our ability to expand and grow our business.

If the properties that we manage fail to perform, then our financial condition and results of operations could be harmed.

The revenue we generate from our property management/asset services segment, and to some extent from our facilities management segment, is generally a percentage of aggregate rent collections from properties, with many management agreements providing for a specified minimum management fee. Accordingly, our success will be dependent in part upon the performance of the properties we manage and the performance of these properties will depend upon the following factors, among others, many of which are partially or completely outside of our control:

- our ability to attract and retain creditworthy tenants;
- the magnitude of defaults by tenants under their respective leases;
- our ability to control operating expenses;
- governmental regulations, local rent control or stabilization ordinances which are or may be put into effect;

- financial conditions prevailing generally and in the areas in which these properties are located;
- the nature and extent of competitive properties; and
- the real estate market generally.

We have numerous significant competitors, many of which may have greater financial resources than we do.

We compete across a variety of business disciplines within the commercial real estate industry, including investment management, tenant representation, corporate services, construction and development management, property asset management, agency leasing, valuation and mortgage banking. In general, with respect to each of our business disciplines, we cannot assure you that we will be able to continue to compete effectively, maintain our current fee arrangements or margin levels or not encounter increased competition. Each of the business disciplines in which we compete is highly competitive on an international, national, regional or local level. Although we are one of the largest real estate services firms in the world, our relative competitive position varies significantly across product and service categories and geographic areas. Depending on the product or service, we face competition from other real estate service providers, institutional lenders, insurance companies, investment banking firms, investment managers and accounting firms. Many of our competitors are local or regional firms, which are substantially smaller than us. However, they may be substantially larger on a local or regional basis. We are also subject to competition from other large national and multinational firms.

In addition to our historical competitors, the advent of the Internet has introduced new ways of providing real estate services, as well as new entrants and competitors in our industry. We cannot currently predict who these competitors will be, nor can we predict what our response to them will be. Our

response to competitive pressures could require significant capital resources, changes in our organization or technological changes. If we are not successful in developing a strategy to address the risks and to capture the related opportunities presented by technological changes and the emergence of e-business, our business, financial condition or results of operations could be harmed.

Our international operations subject us to social, political and economic risks of doing business in foreign countries.

We conduct a substantial portion of our business, and a substantial number of our employees are located, outside of the U.S. In the first quarter of 2001, we generated approximately 23% of our revenue from operations outside the U.S. The international scope of our operations may lead to volatile financial results and difficulties in managing our businesses. Circumstances and developments related to international operations that could negatively affect our business, financial condition or results of operations include the following factors:

- difficulties and costs of staffing and managing international operations;
- currency restrictions, such as those in Brazil, India and Malaysia, which may prevent us from transferring capital and profits to the U.S.;
- changes in regulatory requirements;
- potentially adverse tax consequences;
- the burden of complying with multiple and potentially conflicting laws;
- the impact of regional or country-specific business cycles and economic instability;
- the geographic, time zone, language and cultural differences between personnel in different areas of the world;
- greater difficulty in collecting accounts receivable in some geographic regions such as Asia and Europe;
- political instability; and
- foreign ownership restrictions with respect to operations in countries such as Indonesia, India and China.

We have committed additional resources to expand our worldwide sales and marketing activities, to globalize our service offerings and products in selected markets and to develop local sales and support channels. If we are unable to successfully implement these plans, to maintain adequate long-term strategies which successfully manage the risks associated with our global business or to adequately manage operational fluctuations, our business, financial condition or results of operations could be harmed.

Our revenues and earnings may be adversely affected by foreign currency fluctuations.

Our revenues from non-U.S. operations have been primarily denominated in the local currency where the associated revenues were earned. During the first quarter of 2001, approximately 23% of our business was transacted in currencies of foreign countries, primarily the British Pound Sterling, the Canadian Dollar, the French Franc, the Hong Kong Dollar and the Australian Dollar. We may experience significant negative fluctuations in revenues and earnings because of corresponding fluctuations in foreign currency exchange rates. For example, as a result of exchange rate adjustments, our total net income was reduced by approximately $1.1 million during 2000.

We have made significant acquisitions of non-U.S. companies since the beginning of 1998, including Hillier Parker May and Rowden, REI, Ltd. and CB Commercial Real Estate of Canada, Inc. We may acquire additional foreign companies in the future as well. As we increase our foreign operations, fluctuations in the value of the U.S. Dollar relative to the other currencies in which we may generate earnings could have a material adverse effect on our business, operating results and financial condition. In addition, fluctuations in currencies relative to the U.S. Dollar may make it more difficult to perform period-to-period comparisons of our reported results of operations. Due to the constantly changing currency exposures to which we will be subject and the volatility of currency exchange rates, we cannot assure you that we will not experience currency losses in the future, nor can we predict the effect of exchange rate fluctuations upon future operating results.

Our management may decide to use currency hedging instruments, including foreign currency forward contracts, purchased currency options, where applicable, and borrowings in foreign currency. Economic risks associated with these hedging instruments include fluctuations in inflation rates impacting

cash flow relative to paying down debt and changes in the underlying net asset position. These hedging activities may not be effective.

We have grown significantly during the past five years, which has placed significant demands on our resources, and we may not be able to effectively manage this growth or future growth.

We have grown significantly in recent years from total consolidated revenues of approximately $583 million in 1996 to approximately $1.3 billion in 2000. This historical growth and any significant future growth will continue to place demands on our resources. Accordingly, our future success and profitability will depend, in part, on our ability to enhance our management and operating systems, manage and adapt to rapid changes in technology, obtain financing for strategic acquisitions and investments, retain employees due to policy and procedural changes and retain customers due to our ability to manage change. We may not be able to successfully manage any significant expansion or obtain adequate financing on favorable terms to manage our growth.

A significant portion of our operations are concentrated in California, and our business could be harmed if an economic downturn occurs in the California real estate market.

During the first quarter of 2001, approximately $57.7 million, or 32.6%, of our $177.0 million in total sale, lease and corporate service revenue, including revenue from investment property sales, was generated from transactions originated in the State of California. As a result of the geographic concentration in California, a material downturn in the California commercial real estate market or in the local economies in San Diego, Los Angeles or Orange County could harm our results of operations.

Our results of operations vary significantly among quarters, which makes comparison of our quarterly results difficult.

Our operating income and earnings have historically been substantially lower during the first three calendar quarters than in the fourth quarter. The reasons for the concentration of income and earnings in the fourth quarter include a general, industry-wide focus on completing transactions by calendar year end, as well as the constant nature of our non-variable expenses throughout the year versus the seasonality of our revenues and our policy of paying bonuses in the first quarter. This has historically resulted in a small operating loss in the first quarter, a small operating profit or loss in the second and third quarters and a larger profit in the fourth quarter, excluding the recognition of investment generated performance fees. As a result, quarter-to-quarter comparisons may be difficult to interpret.

Our growth has depended significantly upon acquisitions and we have experienced difficulties integrating these acquired businesses with our business.

A significant component of our growth from 1996 to 1998 was, and part of our principal strategy for continued growth is, through acquisitions. Our strategic acquisitions since 1995 have included Hillier Parker May and Rowden, REI, Ltd., Koll Real Estate Services, L. J. Melody & Company and Westmark Realty Advisors. Recent tactical acquisitions have included Cauble and Company, North Coast Mortgage and Shoptaw-James. We expect to continue our acquisition program. Any future growth by us through acquisitions will be partially dependent upon the continued availability of suitable acquisition candidates at favorable prices and upon advantageous terms and conditions. However, future acquisitions may not be available at advantageous prices or upon favorable terms and conditions. In addition, acquisitions involve risks that the businesses acquired will not perform in accordance with expectations and that business judgments concerning the value, strengths and weaknesses of businesses acquired or whether the consequences of any acquisition will prove incorrect.

We have had, and may experience in the future, significant difficulties in integrating operations acquired from other companies, including the diversion of our management's attention from other business concerns and the potential loss of our key employees or those of the acquired operations. For example, in the Westmark acquisition, serious differences in corporate culture resulted in the loss of several key employees. In the L. J. Melody acquisition, it took over a year to blend our loan servicing operations with those of L. J. Melody. The integration of Koll and our property, facilities and corporate accounting systems took almost nine months to complete. We believe that most acquisitions will have an adverse impact on operating income and net income during the first six months following the acquisition. In addition, during this time period, there are generally significant one-time costs relating to integrating information technology, accounting and management services and rationalizing personnel levels.

We have had particular difficulty integrating the accounting systems of all

the businesses we have acquired. We have numerous different accounting systems each of which reports results in a different currency. If we are unable to fully integrate the accounting and other systems of the businesses we own, we may not be able to effectively manage our acquired businesses. Moreover, the integration process itself may be disruptive to our business as it requires us to coordinate geographically diverse organizations and implement new accounting and information technology systems.

Our co-investment activities subject us to real estate investment risks which could cause fluctuations in our earnings and cash flow.

An important part of the strategy for our investment management business involves investing our own capital in real estate investments with our clients. As of March 31, 2001, we had a total net investment of $66.5 million in co-investments and had committed an additional $40.6 million to fund future co-investments. Our participation in real estate transactions through co-investment activity could increase fluctuations in our earnings and cash flow. Other risks associated with these activities include:

- loss of our investments;

- difficulties associated with international co-investment described in the risk factors above "Our international operations subject us to social, political and economic risks of doing business in foreign countries" and "Our revenues and earnings may be adversely affected by foreign currency fluctuations"; and

- our potential lack of control over the disposition of any co-investments and the timing of the recognition of gains, losses or potential incentive participation fees.

We have invested in a number of non-core, e-commerce businesses and other Internet-related real estate investments and may never realize a return on these investments.

We have invested approximately $23.0 million in a number of non-core e-commerce businesses and other Internet-related real estate investments. These investments are highly speculative and may never generate any income for us. In addition, we may lose all the money we have invested in these businesses. For example in the second quarter, we wrote off our $2.9 million investment in Eziaz, which has recently declared bankruptcy. Our write-off of our Eziaz investment, and any other write-offs we may take in the future, will adversely affect our earnings.

We may incur liabilities related to our subsidiaries being general partners of numerous general and limited partnerships.

We have subsidiaries which are general partners in numerous general and limited partnerships that invest in or manage real estate assets in connection with our co-investments. Any subsidiary that is a general partner is potentially liable to its partners and for the obligations of its partnership, including those obligations related to environmental contamination of properties owned or managed by the partnership. If our exposure as a general partner is not limited, or if our exposure as a general partner expands in the future, any resulting losses may harm our business, financial condition or results of operations. We own our general partnership interests through special-purpose subsidiaries. We believe this structure will limit our exposure to the total amount we have invested in and the amount of notes from, or advances and commitments to, these special-purpose subsidiaries. However, this limited exposure may be expanded in the future based upon, among other things, changes in our operating practices, changes in applicable laws or the application of additional laws to our business.

Our joint venture activities involve unique risks that are often outside of our control and, if realized, could harm our business.

We have utilized joint ventures for large commercial investments, initiatives in Internet-related technology and local brokerage partnerships. In the future, we may acquire interests in additional limited and general partnerships and other joint ventures formed to own or develop real property or interests in real property. We have acquired and may acquire minority interests in joint ventures, and we may also acquire interests as a passive investor without rights to actively participate in the management of the joint ventures. Investments in joint ventures involve additional risks, including the following:

- the other participants may become bankrupt or have economic or other business interests or goals which are inconsistent with our own; and

- we may not have the right or power to direct the management and policies of the joint ventures and other participants may take action contrary to our instructions or requests and against our policies and objectives.

If a joint venture participant acts contrary to our interest, it could harm our business, results of operations and financial condition.

Our success depends upon the retention of our senior management, as well as our ability to attract and retain other qualified employees.

Our continued success is highly dependent upon the efforts of our executive officers and key employees. We expect that after the consummation of the merger transactions, the only members of our senior management that will be parties to employment agreements with us are Raymond Wirta, our Chief Executive Officer, and Brett White, our Chairman of the Americas. If either of Messrs. Wirta or White leaves or his or her services become otherwise unavailable to us, our business and results of operations may suffer.

In addition, as a decentralized, global commercial real estate services firm, we rely to a considerable extent on the quality of local management and the reputation of our employees in the various countries in which we operate. If we fail to attract and retain key personnel in the foreign countries in which we operate, particularly in those foreign countries where we have a limited operating history and brand recognition, our growth may be limited, and our business and operating results could suffer.

If we fail to comply with laws and regulations applicable to real estate brokerage and mortgage transactions and other segments of our business, we may incur significant financial penalties.

Due to the broad geographic scope of our operations and the numerous forms of real estate services we perform, we are subject to numerous federal, state and local laws and regulations specific to the services we perform. For example, our brokerage of real estate sales and leasing transactions requires us to maintain brokerage licenses in each state in which we operate. If we fail to maintain our licenses or conduct brokerage activities without a license, we may be required to pay fines or return commissions received or have our license suspended. In addition, because the size and scope of real estate sale transactions has increased significantly during the past several years, both the difficulty of ensuring compliance with the numerous state licensing regimes and the possible loss resulting from non-compliance have increased. In the future, the laws and regulations applicable to our business, both in the U.S. and in foreign countries, also may change in ways that materially increase our costs of compliance.

We may have liabilities in connection with real estate brokerage and property management activities.

As a licensed real estate broker, we and our licensed employees are subject to statutory due diligence, disclosure and standard-of-care obligations in connection with brokerage transactions. Failure to fulfill these obligations could subject us or our employees to litigation from parties who purchased, sold or leased properties we brokered or managed. We may become subject to claims by participants in real estate transactions claiming that we did not fulfill our statutory obligations as a broker.

In addition, in our property management business, we hire and supervise third party contractors to provide construction and engineering services for our properties. While our role generally is limited to that of a supervisor, we may be subjected to claims for construction defects or other similar actions. Adverse outcomes of property management litigation could negatively impact our business, financial condition and results of operations.

Risks Related to Participating in Any of the Offerings

Because of the lack of any market for our Class A common stock and the transfer restrictions that we are imposing, you should only purchase shares of Class A common stock in the offerings if you are financially able and prepared to hold these shares of Class A common stock for an indefinite period of time.

There is no public market for our Class A common stock. In connection with the offerings, each purchaser of our Class A common stock for direct ownership will be required to sign a subscription agreement, which will include significant restrictions on transferring our Class A common stock. As a result of these restrictions,

prior to any initial underwritten public offering of our Class A common stock and the listing of our Class A common stock on a national securities exchange or the Nasdaq National Market, the holders of our Class A common stock generally will only be able to transfer their shares to specified family members, specified estate planning vehicles, affiliates and, if the shares are not subject to a right of repurchase, other employees of us and our subsidiaries as well as our other stockholders. In addition, designated

managers will be prohibited from transferring any shares that are subject to our right of repurchase. During the transfer restriction period described above, before a participant in the CB Richard Ellis Services 401(k) plan or deferred compensation plan may receive a distribution of shares of our Class A common stock, if the participant has not previously signed a subscription agreement he or she will be required to sign a stockholder's agreement that contains substantially the same restrictions on transfer as the subscription agreements. Accordingly, no public market will exist for the sale of the shares of our Class A common stock after the offerings. We do not intend to apply for a listing of our shares of Class A common stock on any national securities exchange or automated quotation system.

We are offering shares of our Class A common stock, which have significantly less voting power than the shares of our Class B common stock that will be held by the buying group.

We will be offering shares of our Class A common stock for direct ownership and ownership through the CB Richard Ellis Services 401(k) plan, options to acquire shares of our Class A common stock and shares of our Class A common stock underlying stock fund units in the CB Richard Ellis Services deferred compensation plan in these offerings. Each share of our Class A common stock has the right to one vote on all matters submitted to our stockholders. In connection with the merger transactions, each of the members of the buying group will receive shares of our Class B common stock, which have the right to ten votes per share on all matters submitted to our stockholders. In addition, in the event that any holder of Class B common stock acquires shares of Class A common stock in the future, whether pursuant to rights set forth in the subscription agreements or otherwise, the holder of Class B common stock may elect to convert those shares of Class A common stock into an equal number of shares of Class B common stock. However, under circumstances set forth in our certificate of incorporation described in the section of this prospectus titled "Description of Capital Stock," each of the outstanding shares of Class B common stock may convert into a share of Class A common stock.

As a result of the disparate voting rights of the Class A common stock and the Class B common stock, the holders of our Class B common stock, which generally will only be members of the buying group, will be able to determine all matters submitted to our stockholders. Accordingly, if you acquire any shares of Class A common stock as a result of the offerings, you will have little ability to exercise any control of us through the voting of your shares.

Other than with respect to voting rights, the shares of Class A common stock and Class B common stock have the same rights.

We may issue additional Class A common stock or Class B common stock in the future for a price per share less than what you are paying in this offering, which will result in additional dilution to you.

You may experience dilution in book value per share of Class A common stock outstanding upon the exercise of options that may be issued from time to time. In addition, we may increase the number of authorized shares of Class A common stock or Class B common stock or grant additional options or other equity interests that will have the effect of diluting your equity interests.

We have no current intention to pay dividends on our Class A common stock or Class B common stock.

We have no current intention to pay dividends on our Class A common stock or Class B common stock at any time in the foreseeable future. We are a holding company that is dependent upon distributions from its subsidiaries to meet its cash requirements. In addition, the credit agreement and the indentures for the senior notes and the 11 1/4% senior subordinated notes contain restrictions on our ability to declare and pay dividends on our capital stock.

Holders of a majority of our Class A common stock and Class B common stock, taken together, will be able to require you to sell your shares of Class A common stock upon the same terms and conditions that they receive.

Pursuant to the subscription agreements, if stockholders decide to sell shares of our Class A common stock and Class B common stock equal to at least a majority of the outstanding shares of our Class A common stock and Class B common stock, taken together, then they may require you to sell your shares generally upon the same terms and conditions. These terms and conditions may include, among other things, making representations and warranties regarding your ownership of these shares, agreeing to indemnify the purchaser for breaches of representations, warranties and covenants that you are required to make in the sale agreement and placing a portion of the consideration received for your shares in escrow to satisfy any potential obligations owed to the purchaser of the shares. However, in the event that the purchaser requires the sale to be structured as a recapitalization, then the form of consideration

paid to the majority selling stockholders may differ from the form paid to the employees. The requirement to sell your shares at the request of our majority stockholders will apply even if you do not want to sell your shares at that time and upon the terms and conditions negotiated by our majority stockholders. For additional information regarding our stockholders' ability to require you to sell your shares, see the section of this prospectus titled "Description of the Offering Documents--Subscription Agreements--Required Sale."

Your participation in the offerings could result in unfavorable tax treatment of cash that you receive in the merger in exchange for shares of CB Richard Ellis Services common stock that you own directly.

If you participate in the offerings, any cash consideration that you receive in the merger in exchange for shares of CB Richard Ellis Services common stock that you own directly may be treated as a dividend taxable as ordinary income, without regard to your gain or loss, unless you satisfy one of three tests for capital gain or loss treatment. These tests, which are described more fully under "U.S. Federal Tax Consequences," are complex and require an analysis of your actual and constructive ownership of CB Richard Ellis Services before and after the merger and the offerings. In addition, we have attempted to structure the offerings so that, by irrevocably assigning your right to receive the cash proceeds that you would have received in the merger as payment to us for your Class A common stock, you can claim that you exchanged shares of CB Richard Ellis Services common stock for our Class A common stock in a tax-free exchange. There can be no assurance that the Internal Revenue Service will agree with that characterization. For more information about the U.S. federal income tax consequences of the merger and the offerings, see the section of this prospectus entitled "U.S. Federal Tax Consequences."

Designated managers will be required to make a Section 83(b) election under the federal income tax laws with respect to any shares subject to repurchase, and this election may not always be beneficial with respect to these taxes.

Pursuant to the subscription agreement, designated managers will be required to make a Section 83(b) election under the Internal Revenue Code of 1986 with respect to shares subject to repurchase. This means that a designated manager will have ordinary taxable income equal to the excess, if any, of the fair market value of the shares subject to repurchase over the amount the designated manager paid for those shares. However, we believe that the purchase price of those shares will be equal to their fair market value and, accordingly that the election will not result in any taxable income to the designated managers. If, however, such shares were determined to have a higher value than the purchase price, a designated manager would have taxable ordinary income and would not be entitled to claim any tax loss in that amount with respect to any shares subject to repurchase that are subsequently forfeited upon the termination of a designated manager's employment.

Risks Related to the Deferred Compensation Plan Offering

Participants in the CB Richard Ellis Services deferred compensation plan will be subject to taxation at ordinary income rates on the fair market value of our Class A common stock at the time that common stock is distributed to them and may need separate financial resources to pay these taxes.

Participants in the offering of shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan will be subject to taxation at ordinary income rates and we will be required to withhold these taxes, including federal taxes, at the time they have elected to receive distributions of our Class A common stock or other payments from their account balance under the plan. However, participants under the plan are permitted to delay the time that they will receive their distributions under specified circumstances. Participants will also owe Federal Insurance Contributions Act taxes and Medicare taxes as their deferred compensation vests.

For federal income tax purposes, the ordinary income that is attributable to shares of our Class A common stock will equal the fair market value of such shares at the time of their distribution, determined without taking into account the transfer restrictions applicable to our Class A common stock. Because there may be little or no ability to sell the shares of Class A common stock that are distributed from the deferred compensation plan, the funds needed to pay the taxes on the Class A common stock distribution will need to be obtained from the participant's other financial resources.

Account balances invested in stock fund units may not be transferred into other investment funds under the CB Richard Ellis Services deferred compensation plan.

Account balances invested in stock fund units may not be transferred into other investment funds under the CB Richard Ellis Services deferred compensation plan. As a result, a participant in the plan that holds stock fund units will not have any ability to dispose of his or her investment in such stock fund units or the Class A common stock underlying such units until a

distribution event under the plan has occurred and the underlying shares of Class A common stock are distributed to the participant. In addition, prior to the earlier of the tenth anniversary of the merger or the completion of an initial public offering following which our Class A common stock is listed on a national securities exchange or the Nasdaq National Market, any shares of Class A common stock distributed to a participant under the plan will be subject to significant transfer restrictions described in this prospectus.

Risk Related to the 401(k) Plan Offering

If you purchase shares of our Class A common stock that will be held in the CB Richard Ellis Services 401(k) plan, you will be unable to change this investment to another investment alternative under the plan.

Prior to the merger, participants that hold shares of CB Richard Ellis Services common stock in their CB Richard Ellis Services 401(k) plan accounts can sell these shares and invest the proceeds in other investment alternatives under the plan. After the merger, anyone who purchases shares of our Class A common stock to be held in the 401(k) plan in the offerings generally will not be able to sell these shares and invest the proceeds in other investments under the plan. Participants should also take into account that an investment in our Class A common stock through the CBRE Holding Common Stock Fund may limit the participant's ability to receive loans or hardship withdrawals from the plan, since assets held in the CBRE Holding Common Stock Fund may not be used for loans or hardship withdrawals.

Risk Related to Designated Managers Who Sign a Full-Recourse Note

You generally will be personally liable for the full amount of the note even if the shares of Class A common stock securing the note decrease in value and become worth less than the amount owed on the note.

If a designated manager uses a full-recourse note for a portion of his or her purchase price for shares of Class A common stock to be owned directly, the note will be secured by a pledge of shares of our Class A common stock directly owned by the designated manager having an aggregate offering price equal to 200% of the amount of the note. The pledge agreement will provide that, in the event that the designated manager fails to repay the note, we or the bank lender under the note, as applicable, will be able to sell these pledged shares to satisfy this liability. If the value of the pledged shares securing the note decreases after the offering, then the proceeds from the sale of the pledged shares may be less than the remaining outstanding balance of the note. As a result, unless the designated manager has died or become disabled, the unpaid portion of the note will remain outstanding as a personal obligation of the designated manager. Under these circumstances, a designated manager would lose more than the cash that he or she originally invested in the pledged shares.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. The words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms and phrases are used in this prospectus to identify forward-looking statements. Forward-looking statements included in this prospectus include, but are not limited to, statements under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" regarding our future financial condition, prospects, developments and business strategies. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies.

These forward-looking statements are made based on our management's expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those expressed in or implied by these forward-looking statements.

The following factors are among those that may cause actual results to differ materially from the forward-looking statements:

- changes in general economic and business conditions;
- the failure of properties managed by us to perform as anticipated;
- competition;
- changes in social, political and economic conditions in the countries in which we operate;

- foreign currency fluctuations;
- our ability to manage our growth and integrate our decentralized businesses;
- our ability to reduce operating expenses;
- an economic downturn in real estate markets across the world, particularly in California;
- acquisitions;
- our co-investment activities;
- our joint venture activities;
- our investments in e-commerce initiatives;
- our ability to retain senior management and other qualified and experienced employees in the many countries in which we operate;
- our ability to comply with the laws and regulations applicable to real estate brokerage and mortgage transactions; and
- significant litigation.

All of the forward-looking statements should be considered in light of these factors. We do not undertake any obligation to update the forward-looking statements or risk factors contained in this offering circular to reflect new information, future events or otherwise, except as required by law.

QUESTIONS AND ANSWERS

The following questions and answers briefly address some commonly asked questions about the offerings. They may not include all of the information that is important to you. We urge you to read carefully this entire prospectus.

Q: Why is CBRE Holding making the offerings?

A: We are making the offerings in order to give the employees and selected independent contractors of CB Richard Ellis Services and its subsidiaries the opportunity to own equity in us after the merger. We believe that equity ownership by these employees and independent contractors will provide them with an ability to participate in any future growth in our equity value and, as a result of their proprietary interest, motivate and incentivize them to exert their best efforts on our behalf.

Q: Does CBRE Holding need to sell a particular number of shares of its Class A common stock in the offerings in order to complete the merger transactions?

A: No. Although we will use the proceeds received from the offerings to help fund the merger transactions, including the merger, we do not need the proceeds of the offerings to consummate the merger transactions. In the event that less than all of the shares of Class A common stock and stock fund units that are being made available in the offerings are purchased, the BLUM Funds will purchase a number of shares of Class B common stock equal to the number of shares of Class A common stock and stock fund units that are not purchased in the offerings. For additional information regarding the contribution and voting agreement, you should read the section of this prospectus titled "The Merger Transactions--Contribution and Voting Agreement."

Q: Which of the offerings can I participate in?

A: The qualifications for participation in each of the offerings are the following:

- Offering of shares for direct ownership and grants of options: All of (1) the designated managers, (2) our directors after the merger, (3) our U.S. employees other than designated managers and (4) our independent contractors in the states of California, New York, Illinois and Washington may participate in the offering of shares for direct ownership. If a designated manager purchases a specified amount of shares in the offering of shares for direct ownership, the designated manager will be eligible to receive a grant of stock options.
- Offering of shares held in 401(k) plan: All of our U.S. employees who are currently participants in the CB Richard Ellis Services 401(k) plan may participate in this offering.
- Offering of shares underlying stock fund units: All of (1) our U.S.

employees and (2) our independent contractors in the states of California, New York, Illinois and Washington, in each case at the time of the merger, who have stock fund units in the CB Richard Ellis Services deferred compensation plan that have vested prior to the merger may participate in this offering. In addition, designated managers will also have the right to transfer into stock fund units an aggregate of up to $2.6 million of deferred compensation plan account balances that are currently allocated to the insurance fund under the deferred compensation plan.

Q: If I am a designated manager, could the limitation on participation in the offering of shares for direct ownership prevent me from purchasing enough shares to be eligible to receive stock options?

A: No. Even if the total subscriptions for participants in the offering of shares for direct ownership exceeds the aggregate number of shares being made available in that offering, we will ensure that each designated manager is allowed to purchase enough shares to satisfy the eligibility requirements for receiving stock options.

Q: How were the purchase price for the Class A common stock and the exercise price for the options to acquire Class A common stock determined?

A: The purchase price of $16.00 per share for the shares of our Class A common and the exercise price of $16.00 for the options to acquire our Class A common stock are the same as the cash price that will be paid by the BLUM Funds to purchase shares of our Class B common stock pursuant to the contribution and voting agreement. The offering price of $16.00 per share is also the same price that is being paid in the merger to the CB Richard Ellis Services stockholders, other than the members of the buying group, for each share of CB Richard Ellis Services common stock that they own.

Q: Are there any risks associated with investing in the offerings that I should consider?

A: Yes. There are numerous and significant risks associated with investing in any of the offerings. You should read each of the risk factors in the section of this prospectus titled "Risk Factors" before you decide to invest in any of the offerings. As a result of these risks, you could lose all or part of the money that you pay to buy shares of our Class A common stock in the offerings.

Q: How does an investment in Class A common stock differ from an existing investment in CB Richard Ellis Services common stock?

A: Our business after the merger will be substantially the same as CB Richard Ellis Services' business before the merger. However, as a result of the merger transactions, we will have substantially more indebtedness than CB Richard Ellis Services currently has. In addition, because our Class A common stock, unlike CB Richard Ellis Services common stock, will not be publicly traded or listed on a national stock exchange and because you will be required to sign a subscription agreement significantly restricting your ability to transfer shares of our common stock you own directly, it will be much more difficult to sell shares of our Class A common stock than it is for you to currently sell shares of CB Richard Ellis Services common stock. Also, if you purchase shares of our Class A common stock to be held in the CB Richard Ellis Services 401(k) plan, you will generally not be able to sell those shares prior to becoming eligible for a distribution under the plan, unlike shares of CB Richard Ellis Services common stock currently held in the plan, which generally may be sold by plan participants at any time. Each share of our Class A common stock also will have proportionately lower voting rights than each share of CB Richard Ellis Services common stock because each share of Class A common stock will have one vote and each share of Class B common stock, which shares will be held only by the members of the buying group, will have ten votes. For additional information about the amounts and terms of the indebtedness that we will incur in connection with the merger transactions, you should read the sections of this prospectus titled "Capitalization" and "Description of Indebtedness." If you would like to know more about the restrictions on your ability to transfer shares of our Class A common stock, you should read the sections of this prospectus titled "Description of the Offering Documents--Subscription Agreements" and "Description of the Plans--CB Richard Ellis Services 401(k) Plan." If you would like to know more about the voting and other rights applicable to our Class A common stock and our Class B common stock, you should read the section of this prospectus titled "Description of Capital Stock."

Q: If I want to subscribe in the offerings, what should I do?

A: During the week of July 8, 2001, we will distribute the preliminary prospectus and related subscription documents to our employees and independent contractors who are eligible to participate in these offerings.

If you decide that you want to participate in one or more of the offerings, you will be required to complete and return to us the appropriate subscription materials expressing your non-binding indication of interest no later than July 13, 2001. Upon effectiveness of the registration statement relating to the offerings, you will receive a final prospectus relating to the offerings and you must then respond within 48 hours either confirming or denying your interest in purchasing shares. The subscription materials will indicate how and when you should deliver payment for any of our securities that you decide to acquire in the offerings. If you would like to know more about the offering process, you should read the section of this prospectus titled "The Offerings."

Q: When will the offerings be completed?

A: We expect to complete the offerings substantially simultaneously with the closing of the merger agreement. We currently expect to close the merger agreement on July 20, 2001.

Q: What if the merger agreement is terminated, abandoned or does not close for some other reason?

A: The offerings will not be completed if the merger agreement is terminated, abandoned or does not close for some other reason. If you have delivered any subscription materials or payment to us before the termination or abandonment of the merger agreement, we will promptly return the materials or payment to you. You should read the section of this prospectus titled "The Merger Transactions--Merger Agreement" if you would like to know more about the conditions to the closing of the merger agreement.

Q: What type of information will be available about CBRE Holding and CB Richard Ellis Services after the closing of the merger agreement and the offerings?

A: After the closing of the merger transactions and the offerings, we expect to be subject to both the reporting requirements and the proxy rules of the Securities Exchange Act of 1934. These requirements mean that we will file the same type of periodic and other reports and proxy statements that CB Richard Ellis Services currently files, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and a proxy statement for each of our stockholder meetings. In addition, our stockholders that beneficially own 5% or more of our common stock, such as the BLUM Funds and Freeman Spogli, will be required to file, and amend as warranted, a Schedule 13D or Schedule 13G and our directors, officers and stockholders that beneficially own 10% or more of our common stock will be subject to the "short-swing" trading rules under Section 16 of the Securities Exchange Act. In the future, if we no longer have at least 300 holders of record of our common stock, we may decide to deregister our common stock under the Securities Exchange Act. In that case we would no longer need to file proxy statements and our stockholders, directors and officers would not need to file Schedule 13Ds or Schedule 13Gs and would no longer be subject to Section 16. However, even if we deregister our common stock, we would be required under the indenture governing our senior notes to continue to provide the other reports indicated above for as long as the senior notes remain outstanding and CB Richard Ellis Services would be required under the indenture governing the 11 1/4% senior subordinated notes to continue to provide the other reports indicated above for as long as the senior subordinated notes remain outstanding. After the closing of the merger transactions and the offerings, the common stock of CB Richard Ellis Services is expected to be deregistered under the Securities Exchange Act of 1934 and will be delisted from the New York Stock Exchange. As a result, although CB Richard Ellis Services will continue to file periodic reports, it will cease to file proxy statements and its directors, officers and stockholders will cease making filings under Section 13 or 16 of the Securities Exchange Act.

Q: Does CBRE Holding have any current intentions to apply for a listing of the shares of its common stock on a national securities exchange or the Nasdaq National Market?

A: No. Although an underwritten public offering of shares of our common stock and a listing of these shares may occur in the future, we do not have any current intention to do so and these events may never happen.

Q: Will I be able to transfer my shares to whomever I want?

A: No. Prior to the earlier of ten years from the closing of the merger transactions or 180 days after an underwritten initial public offering of our common stock that results in the listing of our common stock on a national stock exchange or the Nasdaq National Market, you generally will only be able to transfer your shares to the following types of persons:

- specified members of your family or a person acting as a fiduciary on their behalf;
- trusts or other entities, all of the beneficial interests of which are held by you or one or more of the persons indicated in the prior bullet point;

- us;
- RCBA Strategic or its affiliates;
- Freeman Spogli or their affiliates; or
- except for shares held by our designated managers that remain subject to a right of repurchase, any of our employees who have signed a subscription agreement or generally agree to become subject to the terms of your subscription agreement.

In addition, if you are a designated manager and you sell shares of our common stock that are subject to a pledge agreement securing a full-recourse note delivered to us in connection with the offerings, you will be required to use the after-tax proceeds from this sale to repay all or, if the after-tax proceeds are less than the outstanding balance of the note, a portion of the outstanding balance of the note.

If you purchase shares to be held in our 401(k) plan in the offerings, the terms of this plan generally will prevent you from selling those shares prior to the time you are eligible to receive a distribution under the plan. In addition, prior to receiving a distribution under the 401(k) plan, if you have not previously signed a subscription agreement you will be required to sign a stockholder's agreement that has restrictions on transfer identical to those included in the subscription agreements. If you elect to continue to hold stock fund units in the deferred compensation plan, prior to receiving shares of our Class A common stock upon a distribution under this plan, if you have not previously signed a subscription agreement you generally will be required to sign a stockholder's agreement that has restrictions on transfer identical to those included in the subscription agreements.

For additional information about the transfer restrictions in the subscription agreements and under our 401(k) plan, you should read the sections of this prospectus titled "Description of the Offering Documents--Subscription Agreements" and "Description of the Plans--CB Richard Ellis Services 401(k) Plan."

Q: What happens to my shares of Class A common stock if holders of at least a majority of the shares of CBRE Holding Class A and Class B common stock decide to sell their shares?

A: These holders may be able to require you to sell the same proportion of the outstanding shares of our Class A common stock that you own as the Class A and Class B common stock they sell to the proposed purchaser. If these holders do not, or are not able to, exercise the "required sale" right described in the prior sentence, as long as the purchaser is not an affiliate of RCBA Strategic, you will be able to sell, if you so desire, the same proportion of the outstanding shares of our Class A common stock that you own as the Class A and Class B common stock these holders sell to the proposed purchaser. With respect to both the "co-sale" right described in the immediately preceding sentence and the "required sale" right, you generally will be entitled to receive the same amount and type of consideration per share as the majority selling stockholders. However, in the sale, you will also be required to provide the same representations, warranties, covenants and indemnities as the majority holders. For additional information about the "required sale" right and the "co-sale" right, you should read the sections of this prospectus titled "Description of the Offering Documents--Subscription Agreements--Co-Sale" and "--Required Sale Right."

Q: Does CBRE Holding have a right to repurchase any of the shares that I purchase in the offerings?

A: Only designated managers that purchase shares for direct ownership will have a portion of their shares subject to a right of repurchase. The amount of shares initially subject to repurchase will be the minimum number of shares required for the designated manager to receive a grant of options. However, if the number of shares actually purchased by the designated manager for direct ownership is less than that amount, then all of the shares purchased for direct ownership by the designated manager will be subject to repurchase. This right to repurchase generally will lapse with respect to 20% of the shares initially subject to repurchase on each of the

first five anniversaries of the closing of the merger. If the designated

manager's employment by us ends, then any remaining shares subject to repurchase on that date will continue to remain subject to repurchase at all times after that date.

Q: What will happen to my account balance in the deferred compensation plan if CB Richard Ellis Services files for bankruptcy or becomes insolvent?

A: To the extent your account balance is invested in any alternative under the plan other than stock fund units, you will become a general unsecured creditor of CB Richard Ellis Services for the value of your account. As an unsecured creditor of CB Richard Ellis Services, you will be subordinate to any claims by the secured creditors of CB Richard Ellis Services against its assets, including the lenders under the senior secured credit facilities of CB Richard Ellis Services, which lenders will have liens on substantially all of its assets after the merger. In the event that any of its assets remain after the claims of its secured creditors have been satisfied in full, then you would share in the distribution of these remaining assets with all of its other general unsecured creditors. To the extent your account balance is invested in stock fund units in the plan, you would not receive any of the assets of CB Richard Ellis Services in the event of the bankruptcy or insolvency of us or CB Richard Ellis Services. For additional information regarding the deferred compensation plan, you should read the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services Deferred Compensation Plan," and for additional information regarding the senior secured credit facilities of CB Richard Ellis Services after the merger, you should read the section of this prospectus titled "Description of Indebtedness--CB Richard Ellis Services Senior Secured Credit Facilities."

Q: What if I have additional questions regarding the offerings?

A: As we indicated above, we will be holding meetings at CB Richard Ellis Services' offices in a number of cities in the United States and subject to securities law restrictions, we will attempt to answer all questions that you may have regarding the offerings. In addition, if you have questions regarding the merger, you should refer to the proxy statement that has been filed by CB Richard Ellis Services with the SEC or contact the following:

CB Richard Ellis Services, Inc.
200 North Sepulveda Boulevard, Suite 300
El Segundo, California 94025
Telephone Number: (310) 563-8600

THE OFFERINGS

Generally

We are offering up to 3,236,639 shares of our Class A common stock, including shares to be owned directly, shares to be held in the CB Richard Ellis Services 401(k) plan and shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan. In addition, in connection with the offering of shares to the designated managers, we also will grant an aggregate of up to 1,820,397 options to acquire shares of our Class A common stock to eligible designated managers. Except for designated managers in the countries of the United Kingdom, Canada and Australia, the offerings are only being made to our U.S. employees and our independent contractors in the states of California, New York, Illinois and Washington who continue to work for us through the completion of the merger. Except for the designated managers described in the preceding sentence, the offerings are not being made to any of our employees outside the United States.

Reasons for the Offerings. We are making these offerings to allow these employees and independent contractors to have an equity stake in our company after the closing of the merger. We believe that allowing these employees and independent contractors to participate in the offerings will provide the following benefits for us and the employees and independent contractors:

- provide an incentive for them to continue improving the operating performance of CB Richard Ellis Services and its subsidiaries; and
- assist us in retaining employees and independent contractors.

Purchase Price and Exercise Prices. The purchase price for the shares of our Class A common stock that we are offering will be $16.00 per share. This price is the same as the price being paid to the CB Richard Ellis Services stockholders for each of their shares of CB Richard Ellis Services common stock in connection with the merger and is the same price per share being paid by the BLUM Funds for the shares of our Class B common stock they purchase for cash

under the contribution and voting agreement. The exercise price for each of the options to acquire our Class A common stock that we will grant in connection with the offering of shares to our designated managers will be $16.00 per share of Class A common stock underlying those options.

Payment of the Purchase Price and the Exercise Prices. The purchase price for each of the shares purchased in the offerings will be payable in full upon the closing of the merger agreement. The exercise price for each of the shares underlying stock options that is granted to our designated managers in the offerings will be payable, upon exercise of the option by the designated manager, at any time after the applicable stock options have become vested and exercisable until the applicable termination date of the stock options. For additional information regarding the terms of payment of the purchase price and exercise prices, you should read the sections below titled "Subscription Documents" and the section of this prospectus titled "Description of Offering Documents."

Conditions to the Offerings. Each of the offerings being made pursuant to this prospectus is conditioned upon the prior or simultaneous completion of the merger. One of the conditions to the completion of the merger is that the registration statement of which this prospectus forms a part has been declared effective by the Securities and Exchange Commission. We have filed the registration statement, but it has not yet been declared effective by the SEC. The completion of the merger, however, is not conditioned upon the sale of any shares pursuant to the offerings. For additional information regarding the conditions to the completion of the merger, you should read the section of this prospectus titled "The Merger Transactions--Merger Agreement."

Deadline for Subscriptions. If you would like to participate in any of the offerings that are being made available to you, you must return to us the signed and completed subscription documents described below that are applicable to the offerings in which you would like to participate no later than 5:00 p.m. PST on July 13, 2001.

Subscription Documents

We will provide our U.S. and selected non-U.S. employees and our independent contractors in the states noted above with copies of each of the following subscription documents that are applicable to them. Each of the following subscription documents are described in greater detail in the section of this prospectus titled "Description of the Offering Documents" and are included as exhibits to the registration statement.

Our "designated managers" are our employees who on April 1, 2001 were designated by our board of directors as designated managers and on April 24, 2001 were notified by us of their designation and who are employed by us as of the closing of the merger agreement. Our board of directors made its selection of the designated managers in consultation with the Chief Executive Officer and Chairman of the Americas of CB Richard Ellis Services based on the board of directors' and such officers' subjective determination as to which of our managers had the potential to have the greatest individual impact on our future growth and profitability. Our "non-management employees" are all of our U.S. employees, other than the designated managers, and all of our independent contractors in the states of California, New York, Illinois and Washington, who are employed or retained by us as of the closing of the merger agreement.

Subscription Agreements. If you are a designated manager or a non-management employee and would like to participate in offerings of shares for direct ownership described below, you will be required to execute and deliver a copy of the subscription agreement to us by the subscription deadline, which agreement is described in the section of this prospectus titled "Description of the Offering Documents--Subscription Agreements." The subscription agreement that will be made available to our designated managers will contain additional terms as a result of shares subject to repurchase and the full-recourse note they may be entitled to use in connection with the offering of shares for direct ownership. If you are married, your spouse will be required to agree to the terms of the subscription agreement by signing and delivering to us by the subscription deadline the Consent of Spouse page that is part of the subscription agreement.

Full-Recourse Note and Pledge Agreement. If you are a designated manager, you may be able to pay a portion of the purchase price for the shares of Class A common stock that you purchase in the offering of shares for direct ownership using a full-recourse note. A full-recourse note is one in which all of the assets of the borrower, not just the stock being purchased with the note, are

available to repay the note. The loan represented by the full-recourse note will be made to you by us or, if we determine, by a bank. If the loan is made by a bank we will guarantee to the bank the performance by you of your obligations under the note. Unless our board of directors determines otherwise, in order to use a full-recourse note in the offering of shares for direct ownership, a designated manager must subscribe for the minimum number of shares required for such designated manager to receive a grant of options as designated by our board of directors. If the designated manager pays a portion of the purchase price for shares using a full-recourse note, the designated manager must pledge as security for the note a number of shares of our Class A common stock having an offering price equal to 200% of the principal amount of the note. These pledged shares will be held to secure the repayment of the note. The pledge agreement will provide that, in the event the designated manager fails to repay this debt, we or the bank lender, as applicable, can sell his or her pledged shares to satisfy this liability.

If you are a designated manager and decide to use this payment option for the offering of shares for direct ownership, you will need to sign and deliver to us by the subscription deadline a copy of the full-recourse note and a copy of the pledge agreement. The terms of the full-recourse note is described in the section of this prospectus titled "Description of the Offering Documents--Full-Recourse Note," and the pledge agreement is described in the section of this prospectus titled "Description of the Offering Documents--Pledge Agreement." If you are married, your spouse will be required to agree to the terms of the pledge agreement by signing and delivering to us by the subscription deadline the Consent of Spouse page that is a part of the pledge agreement.

Section 83(b) Election Form. If you are a designated manager, you will be required to make a Section 83(b) election under the Internal Revenue Code of 1986 with respect to shares subject to repurchase. You will be required to sign and deliver to us by the subscription deadline a copy of the Section 83(b) Election Form contained in the subscription agreement.

Option Agreement. If you are a designated manager eligible to receive a grant of stock options in connection with the offering of shares for direct ownership and would like to receive this grant, you will be required to execute and deliver to us a copy of the option agreement, which is described in the section of this prospectus titled "Description of the Offering Documents--Option Agreement."

401(k) Plan Instructions Form. If you are one of our U.S. employees currently participating in the CB Richard Ellis Services 401(k) plan and you would like to participate in the offering of shares of our Class A common stock to be held in the CB Richard Ellis Services 401(k) plan as described below, you will be required to execute and deliver to a representative of U.S. Trust Company, which will be the trustee for the stock fund under the 401(k) plan after the merger, a form of CB Richard Ellis Services 401(k) Plan Instructions to Trustee prior to the subscription deadline. If you have any questions regarding the 401(k) plan instructions to trustee form, you should contact U.S. Trust at the following phone number: (800) 535-3093.

Deferred Compensation Plan Election Form. If you are one of our U.S. employees or our independent contractors in the states of California, New York, Illinois and Washington that holds stock fund units in the CB Richard Ellis Services deferred compensation plan that have vested prior to the merger, your vested stock fund units will remain in the deferred compensation plan after the merger and each stock fund unit will represent the right to receive one share of our Class A common stock, unless you affirmatively elect to convert the value of these stock fund units, based upon a value of $16.00 per stock fund unit, into another investment alternative available under the deferred compensation plan. If you do not want to continue to hold the vested stock fund units and would like to convert the value of your vested stock fund units into another investment alternative, then you will be required to execute and deliver to us by the subscription deadline a specific form related to the CB Richard Ellis Services Deferred Compensation Plan, which form is described in the section of this prospectus titled "Description of the Offering Documents--DCP Election Form." In addition, if you are a designated manager and you decide to transfer into stock fund units a portion of your deferred compensation plan account balance that is currently allocated to the insurance fund under the deferred compensation plan, you will be required to execute and deliver to us by the subscription deadline a specific form related to the CB Richard Ellis Services Deferred Compensation Plan.

Descriptions of the Offerings

Offering of Shares for Direct Ownership

We are offering up to an aggregate of 1,187,982 shares of our Class A common stock to the designated managers and the non-management employees for direct ownership at an offering price of $16.00 per share. The number of shares being made available in this offering assumes that both the offering of shares to be held in the CB Richard Ellis Services 401(k) plan and the offering of shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan are fully subscribed for. To the extent shares are not subscribed for in those other offerings, we will make an equivalent number of additional shares available in the offering of shares for direct ownership.

Assignment of Proceeds From the Merger. In connection with the payment of the purchase price for the shares being offered for direct ownership, each designated manager and non-management employee will have the option to irrevocably assign to us the right to receive the net cash proceeds that they would otherwise be entitled to receive, if any, in the merger for each of the following:

- shares of CB Richard Ellis Services common stock owned by the designated manager or non-management employee at the time of the merger, other than those shares owned through the CB Richard Ellis Services 401(k) plan; and
- options held by the designated manager or non-management employee to acquire shares of CB Richard Ellis Services common stock.

These assigned proceeds would constitute payment for all or a portion of the shares of our Class A common stock that the designated manager or non-management employee decides to acquire for direct ownership.

Over-Subscription. In the event that this offering of shares is over-subscribed , meaning we receive offers to purchase more than the 1,187,982 shares we have set aside for this offering, we first will allocate a sufficient number of shares to the designated managers to allow them to subscribe for the minimum number of shares necessary to obtain grants of options, as described below, and all remaining shares then will be allocated proportionately among all participants in the offering of shares for direct ownership based upon the total number of those shares for which we receive subscriptions.

Grants of Stock Options to Designated Managers. In connection with the offering of shares for direct ownership, the designated managers will be eligible to receive an aggregate of up to 1,820,397 options to acquire our Class A common stock. Unless our board of directors determines otherwise, a designated manager will receive a grant of a portion of these options only if he or she subscribes for a minimum number of shares in the offering of Class A common stock for direct ownership. The minimum number of shares that a designated manager must subscribe for in order to receive an option grant is a percentage of 625,000 shares that will be allocated to that designated manager by our board of directors. The minimum number of shares that a designated manager must subscribe for in order to receive a grant of options will be reduced by the number of CB Richard Ellis Services deferred compensation plan stock fund units acquired by the designated manager at the closing of the offerings by the transfer of account balances currently allocated to the deferred compensation plan insurance fund. For additional information about the CB Richard Ellis Services deferred compensation plan, you should read the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services Deferred Compensation Plan."

If a designated manager subscribes for at least his or her minimum number of shares, then we will grant to the designated manager a percentage of the 1,820,397 total options equal to the percentage of the 625,000 shares allocated to that designated manager. Subject to our right to allocate the shares to be purchased if the offering is over-subscribed, a designated manager may subscribe for more than the minimum number of shares required to receive a grant of options. However, as long as the minimum number of shares required to receive an option grant are subscribed for, the number of options granted to the designated manager will be the same regardless of the actual number of shares subscribed for.

For example, if the percentage of 625,000 shares that a designated manager must subscribe for in order to receive options is 1%, and the designated manager subscribes for at least 6,250 shares in the offering for direct ownership, he or she will be granted 18,204 options, representing 1% of the aggregate options available for grant to all designated managers. This will be true even if the designated manager subscribes for more than 6,250 shares.

At the time that the merger and the offerings are completed, the 1,820,397 total options available for grant to the designated managers will equal 10% of the sum of the following:

- the outstanding shares of our Class A common stock and Class B common stock;
- the shares of our Class A common stock underlying the vested and unvested stock fund units under the CB Richard Ellis Services deferred

compensation plan;

- the shares of our Class A common stock issuable upon exercise of the options granted to the designated managers, assuming all 1,820,397 options are granted;

- the shares of our Class A common stock issuable upon exercise of 910,199 options to acquire Class A common stock for a purchase price of $50.00 per share that will be available for grant to employees in the discretion of our board of directors; and

- the shares of our Class B common stock issuable upon exercise of warrants.

The exercise price for each of the options granted to the designated managers will be $16.00 per share. Subject to the designated manager's continued employment, the options will vest and become exercisable in 20% increments on each of the first five anniversaries of the date of grant. All of the options will become fully vested and exercisable upon a change of control of us as defined in the option agreement. The options will not be exercisable prior to their vesting. The options are non-transferable and can only be exercised by the designated manager or his or her estate. Subject to earlier termination if the designated manager no longer is employed by us, his or her options will have a term of ten years. For additional information regarding the termination and the term of the stock options, you should read the section of this prospectus titled "Description of the Offering Documents--Option Agreement."

Each designated manager who receives a grant of options to acquire our Class A common stock will be required to sign an option agreement. For additional information about the terms of the option agreement, you should read the section of this prospectus titled "Description of the Offering Documents--Option Agreement."

All of the stock options are intended to be non-qualified stock options and are not intended to be treated as options that comply with Section 422 of the Internal Revenue Code of 1986, which means that the designated manager will be subject to taxation at ordinary income rates upon exercise of the stock options. The options will be granted and the option shares will be issued under our 2001 Stock Incentive Plan, which is described in the section of this prospectus titled "Description of the Plans--2001 Stock Incentive Plan."

Full-Recourse Note for Designated Managers. Under the circumstances described below, a designated manager may pay a portion of the purchase price for the shares of Class A common stock that he or she purchases in this offering using a full-recourse note having the terms described below. A full-recourse note is one in which all of the assets of the borrower, not just the stock being purchased with the note, are available to repay the note. The loan represented by the full-recourse note will be made to you by us or, if we determine, by a bank.

Unless our board of directors determines otherwise, in order to use a full-recourse note in the offering of shares of Class A common stock for direct ownership a designated manager must subscribe for the minimum number of shares required for such designated manager to receive a grant of options as described above. If the designated manager satisfies this requirement, the maximum amount of the full-recourse note that he or she may use will be equal to 50% of the aggregate purchase price of the minimum number of shares that must be subscribed for by the designated manager in order to receive a grant of options. The maximum amount of the full recourse note that may be used by a designated manager will be reduced by the amount, if any, of the designated manager's deferred compensation plan account balance currently allocated to the insurance fund that he or she transfers to stock fund units at the closing of the offerings.

For example, if a designated manager must subscribe for at least 6,250 shares for direct ownership in order to receive a grant of options, then that designated manager may use a full-recourse note only if he or she subscribes for at least 6,250 shares. If such designated manager subscribes for at least 6,250 shares, the maximum amount of the offering price that may be paid for by the designated manager using a full-recourse note is $50,000 minus the amount, if any, of the designated manager's deferred compensation plan account balance currently allocated to the insurance fund that he or she transfers to stock fund units at the closing of the offerings. The $50,000 maximum amount of the full-recourse note represents 50% of the $100,000 purchase price for 6,250 shares. This maximum applies even if the designated manager subscribes for more than 6,250 shares for direct ownership.

The terms of the note are described in the section of this prospectus titled "Description of the Offering Documents--Full-Recourse Note."

Pledge Agreement. If a designated manager delivers a full-recourse note for a portion of the aggregate purchase price for shares, then the designated manager must deliver a pledge agreement, the terms of which are described below in the section of this prospectus titled "Description of the Offering Documents--Pledge

Agreement" and a form of which is included as an exhibit to the registration statement that has been filed with the SEC.

Right of Repurchase for Designated Manager Shares. If a designated manager's employment with us is terminated, we will have the right to repurchase a portion of the shares that he or she purchased in the offering of shares for direct ownership for the price described below. The amount of the shares initially subject to this repurchase right immediately after the offerings will be the minimum number of shares required for such designated manager to receive a grant of options as determined by our board of directors. However, if the number of shares actually purchased by the designated manager for direct ownership is less than this amount, then all of the shares purchased for direct ownership will be subject to the right of repurchase.

For example, if the minimum number of shares that must be subscribed for by the designated manager in order to receive a grant of options is 6,250 shares, and the designated manager subscribes for and purchases 6,250 shares or more, then 6,250 shares will initially be subject to the right of repurchase. If the designated manager only purchases 6,000 shares, then all of these shares will initially be subject to the right of repurchase.

Upon each of the first five anniversaries of the closing of the merger during which the designated manager remains employed by us, 20% of the shares initially subject to repurchase will cease to be subject to this right. If the designated manager's employment by us ends, then any remaining shares subject to repurchase on that date will continue to remain subject to repurchase at all times after that date.

The price for any shares that we repurchase pursuant to this right will be the fair market value of the shares at the time the designated manager's employment ends, unless the designated manager was terminated for cause or voluntarily ended his or her employment for other than a good reason, in which case the repurchase price will be the lesser of the fair market value and the amount that the designated manager paid for those shares in the offering.

Any of the designated manager's shares that are subject to a right of repurchase may not be sold by the designated manager while they are subject to this right.

Subscription Agreement. Each designated manager and non-management employee that purchases shares of our Class A common stock for direct ownership will be required to sign a subscription agreement. The subscription agreement for designated managers will include additional terms applicable to the full-recourse note and the right of repurchase. For additional information about the subscription agreements, you should read the sections of this prospectus titled "Description of the Offering Documents--Subscription Agreements."

2001 Stock Incentive Plan. The shares of our Class A common stock being offered for direct ownership will be issued under our 2001 Stock Incentive Plan, which is described in the section of this prospectus titled "Description of the Plans--2001 Stock Incentive Plan."

Offering of Shares to be held in CB Richard Ellis Services 401(k) Plan

We are offering to all of our U.S. employees who are currently participants in the CB Richard Ellis Services 401(k) plan up to 889,819 shares of our Class A common stock at an offering price of $16.00 per share. These shares will be held in the CB Richard Ellis Services 401(k) plan, which will be amended to add this new investment alternative. To participate in this offering, an employee must either instruct the trustee of the 401(k) plan to sell existing investments held by the employee in the 401(k) plan and use those proceeds to purchase shares in this offering, or to use the proceeds, if any, received in the merger by the employee for shares of CB Richard Ellis Services common stock held by the employee in the 401(k) plan. To the extent that an employee holds shares of CB Richard Ellis Services common stock in his or her 401(k) account at the time of the merger and does not elect to use the merger proceeds for these shares to participate in this offering, then he or she will be required to instruct the trustee to invest the proceeds in one or more of the other investment alternatives available under the CB Richard Ellis Services 401(k) plan. Except for the ability to invest in shares

of our Class A common stock in the 401(k) plan, we expect the range of available investment alternatives at the time of the merger to be substantially the same as those that are currently available.

Limitations on Investment in 401(k) Stock Fund. As a group, our U.S. employees currently participating in the CB Richard Ellis Services 401(k) plan will be offered the opportunity to direct the trustee of the plan to purchase for the CBRE Holding Common Stock Fund an aggregate of up to 889,819 shares of our Class A common stock at an offering price of $16.00 per share. However, no individual participant in the plan may invest in the CBRE Holding Common Stock Fund more than 50% of his or her entire 401(k) plan account balance on the date of this prospectus. If this offering is oversubscribed, the number of shares that each participating employee is able to purchase will be reduced proportionately based upon the total number of 401(k) plan shares for which we receive subscriptions.

401(k) Plan Trustee and Election Form. U.S. Trust Company, National Association has been retained by CB Richard Ellis Services to act as an independent trustee of the CBRE Holding Common Stock Fund investment alternative in the plan. In order to acquire shares of our Class A common stock in this offering using his or her plan account, a participant in our 401(k) plan at the time of the merger must affirmatively elect, prior to the subscription deadline, to direct U.S. Trust, as stock fund trustee, to invest a portion of his or her plan account in CBRE Holding shares after the merger, as described above. In order to make this election, the participant will be required to complete and return to U.S. Trust the election form described in the section of this prospectus titled "Description of the Offering Documents--401(k) Plan Instruction Form." If an employee has not furnished instructions to the trustee using the appropriate completed election form prior to the subscription deadline as described above, the employee will not be able to participate in the offering of shares of our Class A common stock to be held in the 401(k) plan.

Adequate Consideration Requirement. U.S. Trust will be obligated to follow the purchase decisions made by participants unless it determines that the instructions are not consistent with its fiduciary obligations under Employee Retirement Income Security Act of 1974. In this regard, U.S. Trust will engage an independent financial advisor and will only follow the purchase instructions if it receives an opinion from this advisor that concludes that the purchase price is fair to plan participants and constitutes not more than "adequate consideration" for purposes of the ERISA.

Inability to Sell Shares Held in the Plan. In evaluating the offer of securities to be purchased within the plan, and whether an investment in the CBRE Holding Common Stock Fund satisfies the prudence requirements of ERISA for retirement plan investments, participants should take into account that following the merger they will not be able to sell those shares and invest the proceeds in other investments under the plan.

Participants should also take into account that an investment in the CBRE Holding Common Stock Fund may limit the participant's ability to receive loans or hardship withdrawals from the plan, since assets held in the CBRE Holding Common Stock Fund may not be used for loans or hardship withdrawals.

Voting and Plan Distributions. Participants will generally be entitled to direct U.S. Trust with respect to the voting of shares allocated to their accounts in the CBRE Holding Common Stock Fund consistent with the current practice Vanguard has implemented with respect to the CB Richard Ellis Services Common Stock Fund, which is described in the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services 401(k) Plan--Voting Rights." To the extent a participant who is invested in the CBRE Holding Common Stock Fund is entitled to a distribution under the plan, the participant will have the right either to receive such portion of his or her distribution in shares of CBRE Holding Class A common stock or to instruct the trustee to sell the shares and receive the cash proceeds of the sale. If, the trustee cannot otherwise sell the shares prior to an underwritten initial public offering after which our Class A common stock is listed for trading on a national securities exchange or quoted on the Nasdaq National Market, we will be obligated to purchase these shares at the then fair market value.

Stockholders' Agreement. If a participant elects to receive a distribution of shares, rather than cash, at any time prior to the earlier of the tenth anniversary of the merger or 180 days after an underwritten initial public offering of our Class A common stock after which our Class A common stock is listed on a national securities exchange or the Nasdaq National Market, the participant will be required to sign a stockholders' agreement if the participant has not previously signed a subscription agreement other than with respect to the provision regarding purchasing shares. This agreement will include substantially the same provisions as the subscription agreement. For a description of the terms of the subscription agreement, see "Description of the Offering Documents--Subscription Agreements."

Amended 401(k) Plan. The CB Richard Ellis Services 401(k) plan, including the amendments, is described in the section of this prospectus titled

"Description of the Plans--CB Richard Ellis Services 401(k) Plan."

Offering of Shares Underlying Stock Fund Units in CB Richard Ellis Services Deferred Compensation Plan

A number of our current and former U.S. employees and independent contractors in the states of California, New York, Illinois and Washington at the time of the merger currently hold stock fund units in the CB Richard Ellis Services deferred compensation plan. Each stock fund unit currently gives the person that owns it the right to receive one share of CB Richard Ellis Services common stock on future distribution dates as described in the plan. The deferred compensation plan is being amended to provide that, after the merger, each stock fund unit will entitle its holder to receive one share of our Class A common stock on a future distribution date under the plan, rather than one share of CB Richard Ellis Services common stock. We are offering to our current U.S. employees and to our current independent contractors in the states of California, New York, Illinois, and Washington up to 996,338 shares of our Class A common stock that are issuable to these holders of stock fund units upon future distributions under the CB Richard Ellis Services deferred compensation plan.

Merger Agreement Provisions. Pursuant to the terms of the merger agreement, at the effective time, the CB Richard Ellis Services deferred compensation plan will be amended so that each stock fund unit will represent the right to receive one share of our Class A common stock on a future distribution date as described in the plan. Each of our U.S. employees and each of our independent contractors in the states of California, New York, Illinois or Washington who prior to the merger has vested stock fund units credited to his or her account will be required, prior to the merger, to make one of the following elections with respect to those vested stock fund units:

- convert the value of those stock fund units, based upon a value of $16.00 per stock fund unit, into any of the insurance mutual fund or interest index fund alternatives that are available under the deferred compensation plan as of the effective time of the merger, or

- continue to hold those stock fund units in his or her account under the deferred compensation plan.

If no election is made, those vested stock fund units will remain in the deferred compensation plan after the merger and represent the right to receive one share of our Class A common stock.

Every other participant in the deferred compensation plan who has stock fund units credited to his or her account as of the merger that have vested prior to the merger must convert the value of those stock fund units, based upon a value of $16.00 per stock fund unit, into any of the insurance mutual fund or interest index fund alternatives that are available under the deferred compensation plan.

The offering of shares underlying stock fund units is being made pursuant to this prospectus to permit our U.S. employees and independent contractors in the states of California, New York, Illinois and Washington to continue to hold the stock fund units and then receive a number of shares of our Class A common stock upon future distributions under the deferred compensation plan equal to the number of shares of CB Richard Ellis Services common stock that he or she would have received prior to the amendment of the deferred compensation plan.

Any CB Richard Ellis Services stock fund units held by a participant in the deferred compensation plan that have not vested prior to the time of the merger, including any stock fund units that will vest as a result of the merger, will automatically remain in the deferred compensation plan after the merger. These stock fund units will represent the right to receive shares of our Class A common stock on future distribution dates as described in the plan.

Additional Offering to Designated Managers. Our designated managers will also have the right to transfer into stock fund units an aggregate of up to $2.6 million of deferred compensation plan account balances that are currently allocated to the insurance mutual fund under the deferred compensation plan. We are offering up to 162,500 shares of our Class A common stock that are issuable to those holders of stock fund units upon future distributions under the deferred compensation plan.

Stockholder's Agreement. Prior to the earlier of the tenth anniversary of the merger and 180 days after an underwritten initial public offering of our Class A common stock after which our Class A common stock is listed on a national securities exchange or the Nasdaq National Market, before a participant may receive a distribution of shares of our Class A common stock under the plan, if the participant has not previously signed a subscription agreement he or she will be required to sign a stockholder's agreement. This agreement will include substantially the same provisions, other than with respect to the provisions regarding purchasing shares, as the subscription

agreement described below under the title "Description of the Offering Documents--Subscription Agreements."

Amended Deferred Compensation Plan. The deferred compensation plan is described in the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services Deferred Compensation Plan."

DETERMINATION OF OFFERING PRICE

The offering price for the shares of CBRE Holding Class A common stock being offered by this prospectus was determined to be $16.00 per share because that is the same cash price per share being paid by the BLUM Funds to acquire shares of our Class B common stock and is the same cash price per share that will be paid to holders of CB Richard Ellis Services common stock, other than members of the buying group, under the merger agreement.

The common stock of CB Richard Ellis Services is currently traded on the New York Stock Exchange under the symbol "CBG," but these shares will be delisted from the NYSE upon completion of the merger. The following table sets forth the high and low closing sale prices for shares of CB Richard Ellis Services common stock, as reported on the New York Stock Exchange, for the periods listed.

<TABLE>
<CAPTION>

	High	Low
<S>	<C>	<C>
Year Ended December 31, 1999		
First quarter	$19 13/16	$14 5/8
Second quarter	24 7/8	14 7/16
Third quarter	24 7/16	12 1/2
Fourth quarter	14 13/16	10 11/16
Year Ended December 31, 2000		
First quarter	13 1/2	10 3/16
Second quarter	11 7/16	9 1/8
Third quarter	13 3/16	9 3/8
Fourth quarter	15 5/8	11 13/16
Year Ended December 31, 2001		
First quarter	15.88	13.90
Second quarter	15.80	14.08

</TABLE>

On November 10, 2000, the last trading day prior to the public announcement of BLUM CB Corp.'s merger proposal to the board of directors of CB Richard Ellis Services, the high, low and closing sale prices for the common stock of CB Richard Ellis Services as reported on the New York Stock Exchange were $13 1/8, $12 5/8 and $13 1/8 per share, respectively. On February 23, 2001, the last trading day before the public announcement of the merger agreement, the high, low and closing sale prices for the common stock of CB Richard Ellis Services as reported on the New York Stock Exchange were $13.94, $13.68 and $13.90 per share, respectively. On July 2, 2001, the closing price as reported on the New York Stock Exchange was $15.64 per share.

The shares of CB Richard Ellis Services common stock and our Class A common stock are not directly comparable and the trading price of shares of CB Richard Ellis Services common stock are not necessarily indicative of the fair market value of shares of our Class A common stock as a result of, among other things:

- the difference in the relative rights and restrictions;
- the greater amount of long-term indebtedness that we will have as compared to CB Richard Ellis Services prior to the merger; and
- the relative lack of liquidity for shares of our Class A common stock, which shares will not be listed on a national securities exchange.

DESCRIPTION OF THE OFFERING DOCUMENTS

The following summarizes the subscription documents that apply to one or all of the offerings, each of which is included as an exhibit to the registration statement, of which this prospectus forms a part, filed with the Securities and Exchange Commission. You should carefully read the subscription documents that apply to any offering in which you decide to participate and not rely solely upon the descriptions of those documents provided below.

Subscription Agreements

Generally

Any of the designated managers and non-management employees who participate in the offering of shares for direct ownership will be required to execute and deliver to us a copy of the relevant subscription agreement described below by 5:00 p.m. PST on July 13, 2001, which is the subscription deadline. The section below titled "Description of Terms in All Subscription Agreements" summarizes the terms that are in all of the subscription agreements. The subscription agreements that will be made available to our designated managers for execution and delivery to us will contain additional terms that are summarized in the section below titled "Description of Terms in Only the Designated Manager Subscription Agreements."

The subscription agreements will not apply to any shares that are held in the CB Richard Ellis Services 401(k) plan or the shares underlying stock fund units in the deferred compensation plan. However, the subscription agreement will apply to shares received upon distributions from the 401(k) plan or the deferred compensation plan. In addition, before someone who purchases shares to be held in the 401(k) plan may receive any future distribution of those shares pursuant to the terms of the plan, if he or she is not a party to a subscription agreement he or she generally will be required to sign and deliver to us a stockholder's agreement that is described in the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services 401(k) Plan." In addition, before someone who participates in the offering of shares of our Class A common stock underlying stock fund units in the CB Richard Ellis Services deferred compensation plan may receive any future distribution of those shares pursuant to the terms of the plan, if he or she is not a party to a subscription agreement he or she generally will be required to sign and deliver to us a stockholder's agreement that is described in the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services Deferred Compensation Plan."

Risks Related to Subscription Agreements

If you participate in the offering of shares for direct ownership or receive shares in a distribution from your 401(k) plan or deferred compensation plan account, your ownership of shares of our Class A common stock will be subject to significant restrictions under the subscription agreement, which will subject you to numerous risks associated with your investment. To learn more about these risks, you should read the section of this prospectus titled "Risk Factors."

Description of Terms in All Subscription Agreements

The following terms are in both the subscription agreements that will be provided to designated managers and the subscription agreements that will be provided to non-management employees.

Assignment of Proceeds from Merger. Pursuant to the subscription agreement, you may use some or all of the net cash proceeds that you would otherwise be entitled to receive under the merger agreement for any shares of CB Richard Ellis Services common stock that you own of record at the time of the merger or options that you hold to acquire CB Richard Ellis Services common stock to purchase shares of our Class A common stock for direct ownership. If you decide to use your merger proceeds in this way, then you will be required to irrevocably assign these cash proceeds to us under the subscription agreement. As a result of this assignment, we will become entitled to receive those proceeds from the merger as payment, in part or in whole, for the shares that you purchase for direct ownership.

We have attempted to structure the offerings so that, by irrevocably assigning your right to receive the cash proceeds that you would have received in the merger as payment to us for your Class A common stock, you can claim that you exchanged shares of CB Richard Ellis Services common stock for our Class A common stock in a tax-free exchange. There can be no assurance that the Internal Revenue Service will agree with our characterization. This tax treatment will not apply to merger proceeds you receive for options or for shares acquired through the Special Incentive Plan whether or not you assign your right to receive those proceeds to us. Therefore, any cash proceeds you receive for options or for shares acquired through the Special Incentive Plan will be fully taxable to you whether or not those proceeds are assigned to us as payment for Class A common stock. For more information about the U.S. federal income tax consequences of the merger and the offerings, see the section of this prospectus entitled "U.S. Federal Tax Consequences."

If you decide to assign part of your merger proceeds to us as payment for your shares for direct ownership, then following completion of the merger you will receive your shares of Class A common stock when you deliver the share certificates evidencing the shares whose merger proceeds you have assigned to us. Your decision to assign the merger proceeds from any shares of CB Richard

Ellis Services' common stock will not affect your ability to sell those shares of common stock prior to the merger.

Legends and Additional Shares Acquired. Each certificate representing shares of Class A common stock held directly will have a legend on it stating that the holder of the certificate agrees to be bound by the provisions of the subscription agreement, including the restrictions on transfer described below. In addition, any additional shares of our Class A common stock that are acquired by an employee who signs a subscription agreement, including as a result of a permitted transfer from any other employees or as a result of the exercise of stock options, generally will be subject to the terms of the subscription agreement.

Representations and Warranties. Under the terms of the subscription agreement, the employee will represent and warrant to us as to each of the following on the date that the subscription agreement is signed by him or her:

- the employee is competent to, and has sufficient capacity to, execute and deliver the subscription agreement, as well as the full-recourse note and the pledge agreement, if applicable to the employee;
- the subscription agreement, as well as the full-recourse note and the pledge agreement, if applicable to the employee, have been duly executed and delivered and constitute valid and binding obligations of the employee enforceable against the employee in accordance with their terms;
- the number of shares of CB Richard Ellis Services common stock for which the employee is the record owner is correctly identified in the subscription agreement; and
- the employee understands that the shares subject to the agreement will be subject to restrictions and limitations, including with respect to transfers, and has read this prospectus, including the section titled "Risk Factors."

We will give representations and warranties regarding the subscription agreement to you similar to those described in the first two bullet points immediately above.

Conditions to Subscription. After the employee has signed and delivered the subscription agreement, we are not obligated to complete the sale of shares to the employee unless each of the following conditions have been satisfied:

- the employee has delivered payment in full for the shares;
- the employee has executed and delivered to us (1) the stock purchase agreement described below and, (2) if applicable to the employee, the full-recourse note, the pledge agreement and the stock power for

the shares of CB Richard Ellis Services common stock for which the employee is the record owner if the employee is assigning any of his or her merger proceeds to us; and

- the merger has been completed.

Your obligation under the subscription agreement to purchase the shares of Class A Common Stock that you subscribe for will generally be subject to the condition that the merger has been completed.

General Transfer Restrictions. Prior to the earlier of the tenth anniversary of the merger and 180 days after we close a qualifying initial public offering of our Class A common stock, which is described below, shares of our Class A common stock owned by the employee will have significant restrictions on transfer. Generally, the only persons or entities to which these shares may be transferred prior to the end of the transfer restriction period are the following:

- the employee's spouse, parent, descendant, step-child or step-grandchild, or any executor, estate, guardian, committee, trustee or other fiduciary acting solely on behalf or solely for the benefit of any spouse, parent, descendant, step-child or step-grandchild;
- any trust, corporation, partnership or limited liability company, all of the beneficial interests in which are held, directly or indirectly, by the employee and/or one or more of the individuals listed in the prior bullet point, so long as during the period that any trust, corporation, partnership or limited liability company holds any right, title or interest in any shares of our Class A common stock, no person other than the employee or the individuals listed in the prior bullet point may be or become beneficiaries, stockholders, general partners or members of any trust, corporation, partnership or limited liability company;

- us;

- RCBA Strategic, Blum Strategic Partners II, Freeman Spogli or any of their respective affiliates; and

- except for shares owned by designated managers subject to a right of repurchase, which are described in the section titled "Description of Terms in Only the Designated Manager Subscription Agreements--Repurchase Right" below, any of our other employees who has signed a subscription agreement or who agrees to be subject to the terms of the transferring employee's subscription agreement.

Assumption Agreement. If shares are transferred to anyone described in the first two bullet points above, prior to the transfer, both the transferring employee and the transferee must sign and deliver to us an assumption agreement. Under the assumption agreement, the transferor will remain subject to the subscription agreement and the transferee generally will become subject to most of the terms of the subscription agreement, including all of the limitations on transfers. After the transfer, if the transferee at any time ceases to have the same status described in the first two bullet points above that allowed the initial transfer to occur, then the transferee will be required to transfer back to the transferring employee any shares received by the transferee.

Qualifying Initial Public Offering. Under the terms of the subscription agreement, a "qualifying initial public offering" means an underwritten offering of our Class A common stock to the public after the effective time of the merger pursuant to an effective registration statement filed under the Securities Act pursuant to which our Class A common stock becomes listed on a national securities exchange or authorized for quotation on the Nasdaq National Market.

Co-Sale Right. Prior to the end of the transfer restrictions, if a majority of the outstanding shares of our Class A and Class B common stock, taken together, are sold to anyone other than RCBA Strategic and its affiliates, then the employee will be able to sell the same proportion of his or her shares of Class A common stock that are not subject to a right of repurchase as are being sold by the other selling stockholders. If the employee exercises this right, the sale of his or her shares will generally be on the same terms as the sale of a majority of our outstanding shares that triggered that right. However, in the event that the purchaser requires that the sale be structured as a recapitalization for financial accounting purposes then the form of consideration paid to the majority selling stockholders may differ from the form paid to the employee.

In order to participate in this sale, the employee generally will be required to make the same representations and warranties, and provide related indemnification, to the proposed purchaser regarding the ownership of, and title to, the shares being sold by the employee as the majority sellers make regarding the shares they are selling. In addition, the employee will be required to pay his or her pro rata share of any liability arising out of any representations, warranties, covenants or agreements between the sellers and the purchaser that survive the closing of the sale and do not relate to the ownership of, or title to, the shares being sold.

The co-sale right does not apply to any underwritten offering of our securities to the public pursuant to an effective registration statement under the Securities Act of 1933.

Required Sale. To the extent permitted by applicable law, prior to the end of the transfer restrictions, if any of our stockholders sell a majority of the outstanding shares of our Class A and Class B common stock, taken together, to anyone other than RCBA Strategic and its affiliates, then these selling stockholders will be able to require the employee to sell to the same proposed transferee the same proportion of the shares of Class A common stock owned by the employee as are being sold by the stockholders selling a majority of the outstanding shares. If the selling stockholders exercise this right, the sale of the employee's shares of Class A common stock will generally be on the same terms as the sale of a majority of our outstanding Class A and Class B common stock that triggered such sale. However, in the event that the purchaser requires that the sale be structured as a recapitalization for financial accounting purposes, then the form of consideration paid to the majority selling stockholders may differ from the form paid to the employee.

In connection with this sale, the employee generally will be required to make the same representations and warranties, and provide related indemnification, to the proposed purchaser regarding the ownership of, and title to, the shares being sold by the employee as the majority sellers make regarding the shares they are selling. In addition, the employee will be

required to pay his or her pro rata share of any liability arising out of any representations, warranties, covenants or agreements between the sellers and the purchaser that survive the closing of the sale and do not relate to the ownership of, or title to, the shares being sold.

The required sale right does not apply to any underwritten offering of our securities to the public pursuant to an effective registration statement under the Securities Act of 1933.

Other Agreements. In addition to the provisions described above, the subscription agreement also includes, among others, the following agreements:

- Holdback Agreement. In connection with any initial underwritten offering of shares of our Class A common stock to the public pursuant to a registration statement filed under the Securities Act of 1933, the employee will agree not to sell any shares of our Class A common stock or any securities exchangeable or exercisable for, or convertible into, shares of our Class A common stock during the period beginning 30 days prior to the effective date of the applicable registration statement and ending 180 days after the effective date.

- Confidentiality. The employee generally agrees that, except as required by law, he or she will not, during his or her term of employment or for five years afterwards, disclose any non-public confidential information about us and our affiliates to any person, other than our responsible officers and employees, without our prior written consent.

- Arbitration. We and the employee generally agree that all disputes arising under, or in connection with the interpretation of, the subscription agreement will be resolved solely through confidential binding arbitration proceedings.

Termination in Event of Sale. Most provisions in the subscription agreement will terminate upon the sale of all or substantially all of our equity interests to anyone other than our stockholders, whether by merger, consolidation or otherwise.

Shares Subject to the 2001 Stock Incentive Plan. The shares of Class A common stock purchased for direct ownership pursuant to the subscription agreement are subject to the 2001 Stock Incentive Plan. In the

event of a conflict between any term or provision of the 2001 Stock Incentive Plan and any term or provision of the subscription agreement, the applicable terms and provisions of the subscription agreement will govern and prevail. To learn more about this plan, you should read the section of this prospectus titled "Description of the Plans--2001 Stock Incentive Plan."

Description of Terms in Only the Designated Manager Subscription Agreements

Repurchase Right. If a designated manager's employment with us is terminated, we will have the right to repurchase a portion of the shares that he or she purchases in the offering of shares for direct ownership for the price described below. We will be required to exercise this right within 180 days after the designated manager's employment ends. The amount of the shares initially subject to this repurchase right will be the minimum number of shares required for such designated manager to receive a grant of options as determined by our board of directors. However, if the number of shares actually purchased by the designated manager for direct ownership is less than this amount, then all of the shares purchased for direct ownership will initially be subject to the right of repurchase.

For example, if the minimum number of shares that must be subscribed for by the designated manager in order to receive a grant of options is 6,250 shares, and the designated manager subscribes for and purchases 6,250 shares or more, then 6,250 shares will initially be subject to the right of repurchase. If the designated manager only purchases 6,000 shares, then all of these shares will initially be subject to the right of repurchase.

Upon each of the first five anniversaries of the closing of the merger during which the designated manager remains employed by us, 20% of the shares initially subject to repurchase will cease to be subject to this right. If the designated manager's employment by us ends, then any remaining shares subject to repurchase on the date employment ends will continue to remain subject to repurchase at all times after that date. Any of the designated manager's shares subject to our right of repurchase may not be sold by the designated manager while they are subject to this right.

The repurchase price for the shares is the fair market value of the shares at the time the designated manager's employment ends, unless the designated manager was terminated for cause or voluntarily ended his or her employment for other than good reason, in which case the repurchase price is the lesser of the fair market value and the amount that the designated manager paid for those shares in the offerings. Prior to a qualifying initial public offering, which

is described in the section titled "General Transfer Restrictions" above, the "fair market value" of the shares will be determined in good faith and on a consistent basis by our board of directors, disregarding any discount for minority interests, restrictions on transfer or lack of marketability.

Under the designated manager subscription agreements, the following definitions are used:

- "cause" means (1) the willful failure of the designated manager to perform his or her duties to us or our subsidiaries which is not cured following written notice, (2) the conviction of the designated manager of a felony, (3) willful malfeasance or misconduct by the designated manager that is materially and demonstrably injurious to us or our subsidiaries or (4) the breach by the designated manager of the material terms of the full-recourse note, the pledge agreement or the designated manager subscription agreement, including, without limitation, the provisions described below regarding transfer restrictions, business opportunities, confidentiality and discharge of indebtedness; and

- "good reason" means (1) a substantial diminution in the designated manager's position or duties with us or our subsidiaries, an adverse change in the reporting lines of the designated manager, or the assignment to the designated manager by us or our subsidiaries of duties materially inconsistent with his or her position with us or our subsidiaries, (2) any reduction in the designated manager's base salary or any material adverse change in the designated manager's bonus opportunity or (3) our failure or that of our subsidiaries to pay the designated manager's compensation or benefits when due; in each of the foregoing clauses (1) through (3) which is not cured within 30 days following our receipt of written notice from the designated manager describing the event that would constitute good reason if not cured within the 30 day period.

Shares that are subject to a right of repurchase may not be transferred by the designated manager.

Sale Right. Prior to the end of the transfer restrictions, if the designated manager's employment by us ends and we have not exercised our repurchase right at least 20 days prior to the date that the designated manager's full-recourse note becomes due and payable, as described below under the section titled "Full-Recourse Note," then the designated manager may require us to repurchase the number of shares of our Class A common stock held by the designated manager necessary to repay the full-recourse note on the date it becomes due and payable. In order to exercise this sale right, the designated manager must deliver a notice to us indicating the exercise no later than 10 days prior to the date that the full-recourse note becomes due and payable. The purchase price for the shares that we buy upon exercise of the designated manager's sale right will be the same as we would pay if we had exercised the repurchase right described above. The entire purchase price for the shares will be applied to the repayment of the note. If the purchase price for these shares is not sufficient to repay the note in full then the designated manager will remain personally obligated to repay the remaining amount of the note.

Required Section 83(b) Tax Election. Each designated manager will be required to make an election under section 83(b) of the Internal Revenue Code with respect to any shares purchased that are subject to our repurchase right, which election means that the designated manager will have taxable ordinary income equal to the excess, if any, of the fair market value of the shares over the amount the designated manager paid for those shares. However, we believe that the purchase price of those shares will be equal to their fair market value and, accordingly, that the election will not result in any taxable income to the designated managers.

Full-Recourse Note

Under the circumstances described in the section of this prospectus titled "The Offerings," a designated manager may pay a portion of the purchase price for the shares of Class A common stock that he or she purchases in the offering of shares for direct ownership using a full-recourse note having the terms that are summarized below. The loan represented by the full-recourse note will be made to you by us or, if we determine, by a bank. If the loan is made by a bank we will guarantee to the bank the performance by you of your obligations under the note.

Interest and Payment. Interest will accrue on the principal amount of the full-recourse note at a market rate that we currently expect to be approximately 10% per year, compounded annually, and payable in cash on each March 31, June 30, September 30 and December 31 prior to the payment in full of all unpaid principal and accrued and unpaid interest. All accrued and unpaid interest, together with all unpaid principal, if not paid sooner, will be due on the earliest of:

- the 9th anniversary of the loan;
- 30 days after the termination of the designated manager's employment by us with cause or by the designated manager without good reason;
- 180 days after the termination of the designated manager's employment by us without cause, by the designated manager for good reason or upon the designated manager's death or disability;
- the acceleration of the maturity of the loan as described below; or
- the designated manager's receipt of any proceeds of the sale of the common stock subject to the pledge agreement, but only to the extent of the after tax proceeds from such sale.

The definitions of "cause" and "good reason" are the same as those described above in the section titled "Subscription Agreements--Description of Terms in Only the Designated Manager Subscription Agreements--Repurchase Right." Any overdue amount under the full-recourse note will bear an annual interest rate of 12%, compounded annually.

If the designated manager's employment with us is terminated due to his or her death or disability, the repayment obligations under the note will be satisfied only to the extent of the shares of our Class A common stock that are pledged as security for the note. Under all other circumstances, if the proceeds from the sale of

the pledged shares are less than the remaining outstanding balance of the note and accrued and unpaid interest, the unpaid balance of the note will remain outstanding as an obligation of the designated manager.

Acceleration. The outstanding principal amount and accrued interest on a note will automatically become due and payable if:

- the designated manager commences an action under any law relating to bankruptcy, insolvency or relief of debtors;
- there is commenced against the designated manager an action under any law described in the prior bullet point which results in the entry of an order for relief or the action remains undismissed for a period of 60 days; or
- the designated manager otherwise becomes insolvent.

In the event that the designated manager defaults in any payment obligation under the full-recourse note or in any agreement contained in the pledge agreement, the full-recourse note may be accelerated by delivery of a written notice to the designated manager. If a notice of acceleration is delivered, the unpaid outstanding principal amount of the note and all the accrued and unpaid interest will become immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the designated manager in the full-recourse note.

Pledge Agreement

If a designated manager pays a portion of the purchase price for shares of our Class A common stock to be directly owned by delivering a full-recourse note, the designated manager must pledge as security for the note a number of these shares having an offering price equal to 200% of the amount of the note. The pledged shares will be held pursuant to a pledge agreement. Under the pledge agreement, the designated manager will pledge and grant to us or the bank lender, as applicable, a first priority security interest in all of the pledged shares, as well as any proceeds derived from the pledged shares.

In connection with the pledging of the pledged shares, we or the bank lender, as applicable, will take possession of the certificates representing the pledged shares at the time of the closing of the offerings and the designated manager will be required to execute and deliver to us prior to the closing of the offerings an assignment that we will make available to the designated manager. The designated manager will also be required to make to us or the bank lender, as applicable, a representation and warranty that there are no other encumbrances on the pledged shares. The pledged shares will be held by us or the bank lender, as applicable, until the repayment of all principal and all accrued but unpaid interest on the full-recourse note.

Without our or the bank lender's, as applicable, prior written consent, the designated manager may not transfer the pledged shares, incur any liens or interests in favor of any other persons on the pledged shares or otherwise enter into any agreements that would restrict our right to transfer the pledged

shares. Unless the designated manager has defaulted on the note, while we or the bank lender, as applicable, hold the pledged shares the designated manager will retain the right to vote and receive any dividends declared on the shares, although we or the bank lender, as applicable, will have a lien on any dividends received by the designated manager prior to the repayment in full of the note.

If any obligation under the full-recourse note is not paid in full when due or accelerated, after notifying the designated manager we or the bank lender, as applicable, will have the right to receive any and all cash payments paid, and be able to exercise all the rights of the designated manager, with respect to the pledged shares. Also, we or the bank lender, as applicable, will have and may exercise all rights and remedies of a secured creditor under applicable New York law, including selling the pledged shares. If the proceeds from the sale of the pledged shares are less than the remaining outstanding balance of the note and accrued and unpaid interest, unless the designated manager previously has died or become disabled, the unpaid portion of the note will remain outstanding as an obligation of the designated manager. To the extent permitted by law, the designated manager agrees to waive all claims and damages against us or the bank lender, as applicable, arising out of the exercise of our or their rights.

The designated manager also will agree to deliver all further documents or take all further action to perfect and protect the pledge of the shares and the first priority security interest granted to us or the bank lender and will authorize us or the bank lender, as applicable, to file a financing statement with respect to the collateral with the signature of the designated manager as appropriate. The designated manager will further agree to pay and indemnify us or the bank lender, as applicable, and our or their directors, employees and affiliates for any and all liabilities and expenses related to or arising from the full-recourse note or the pledge agreement or any exercise of remedies under either the note or the pledge agreement.

The pledge agreement will be a continuing assignment and remain effective until all obligations under the full-recourse note are paid. Once the obligations are fully paid, the designated manager will be entitled to the return of the note and the release of the security interest in the pledged shares.

Option Agreement

Each designated manager who receives a grant of options to acquire our Class A common stock in connection with the offering of shares of our Class A common stock for direct ownership will be required to sign an option agreement. For additional information regarding the circumstances under which the designated managers may receive grants of options, you should read the section of this prospectus titled "The Offerings--Description of the Offerings. "

Grant of the Options. The options are intended to be non-qualified stock options and are not intended to be treated as options that comply with Section 422 of the Internal Revenue Code of 1986, as amended.

Vesting Schedule. The options will vest and become exercisable with respect to 20% of the shares of our Class A common stock subject to the options on the first, second, third, fourth and fifth anniversaries of the date of grant. Prior to vesting, the options will not be exercisable. Upon a change of control, all options will become fully vested and exercisable. Under the 2001 Stock Incentive Plan, which together with the option agreement governs the terms of the stock options, a "change of control" is generally defined as either of the following:

- the sale or disposition, in one or a series of related transactions, of all, or substantially all, of the assets of CBRE Holding to any "person" or "group", as defined in Sections 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, other than RCBA Strategic, Freeman Spogli or their affiliates; or

- any person or group, other than RCBA Strategic, Freeman Spogli or their affiliates, is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of CBRE Holding, including by way of merger, consolidation or otherwise, and the representatives of RCBA Strategic, Freeman Spogli or their affiliates, individually or in the aggregate, cease to have the ability to elect a majority of the board of directors of CBRE Holding; for our purposes, a member of a group will not be considered to beneficially own the securities owned by other members of the group.

Termination of Employment. If the designated manager's employment with us is terminated for any reason, the options will, to the extent not then vested, be canceled by us without consideration. However, in the case of Messrs. Wirta or White, (1) if his employment is terminated by us without cause or if he resigns from his employment with us for good reason, the options will immediately vest and become exercisable for all the shares subject to the options, or (2) if his employment is terminated due to his death or disability, the options will immediately vest and become exercisable for the number of shares with respect to which the options would have become vested and exercisable in the calendar year of the termination of employment.

Period of Exercise. The designated manager may exercise the vested portion of the options at any time prior to the earliest to occur of:

- the tenth anniversary of the date of grant;
- one year following the date of the designated manager's termination of employment as a result of death or disability;

- ninety days following the date of the designated manager's termination of employment by us without cause, other than as a result of death or disability, or by the designated manager for any reason; and
- the date of the designated manager's termination of employment by us for cause.

For purposes of the option agreement:

"cause" means (1) the designated manager's willful failure to perform duties to us, which is not cured within ten days, (2) the designated manager's conviction of a felony, (3) the designated manager's willful malfeasance or misconduct which is materially and demonstrably injurious to us or (4) breach by the designated manager of the material terms of any confidentiality provisions to which the designated manager is subject;

"disability" means the inability of a designated manager to perform in all material respects his or her duties and responsibilities to us, for a period of six consecutive months or for an aggregate of nine months in any twenty-four consecutive month period by reason of a physical or mental incapacity; and

"good reason" means (1) a substantial diminution in the designated manager's position or duties, adverse change in reporting lines, or assignment of duties materially inconsistent with his or her position, (2) any reduction in the designated manager's base salary or material adverse change in the designated manager's bonus opportunity or (3) our failure to pay compensation or benefits to the participant when due under an employment agreement, in each case which is not cured within 30 days after notice.

Method of Exercise. The vested portion of the options may be exercised by delivering to us at our principal office written notice of intent to so exercise. The notice must specify the number of shares for which the options are being exercised and be accompanied by payment in full of the option price.

The purchase price for the shares as to which options are exercised must be paid to us in full at the time of exercise at the election of the designated manager (1) in cash or its equivalent, such as by check, (2) in shares of our Class A common stock having a fair market value equal to the aggregate option price for the shares being purchased and satisfying any other requirements imposed by us, as long as the shares have been held by the designated manager for no less than six months, or any other period as established from time to time by us in order to avoid adverse accounting treatment when applying U.S. generally accepted accounting principles, (3) partly in cash and partly in shares or (4) if shares of Class A common stock are listed on a national securities exchange or quoted on the Nasdaq National Market at the time, through the delivery of irrevocable instructions to a broker to sell shares obtained upon the exercise of the option and to deliver promptly to us an amount out of the proceeds of the sale equal to the aggregate option price for the shares being purchased. The designated manager will also be required to pay all withholding taxes relating to the exercise.

Unless there is an available exemption the options may not be exercised prior to any registration or qualification of the options or the shares required to comply with applicable state and federal securities laws or with any ruling or regulation of any governmental body or national securities exchange that we in our sole discretion determine in good faith to be necessary or advisable. We expect to file, shortly after the effectiveness of the registration statement for these offerings, a registration statement on Form S-8 under the Securities Act covering all shares of Class A common stock underlying the options we grant to designated managers in the offering, as well as all other shares reserved for issuance under the 2001 Stock Incentive Plan.

Should the designated manager die while holding the options, the vested

portion of the options will remain exercisable by the executor or administrator of the designated manager's estate, or the person or persons to whom the designated manager's rights will pass by will or by the laws of descent and distribution. Any heir or legatee of the designated manager will take the options subject to the terms and conditions of the 2001 Stock Incentive Plan and the option agreement.

Legend on Certificates. The certificates representing the shares issued upon exercise of an option will contain a legend stating that they are subject to the subscription agreement and may be subject to any stop

transfer orders or other restrictions we may deem advisable and we may cause an additional legend or legends to be put on any certificates to make appropriate reference to other restrictions.

Transferability. Except as otherwise permitted by us, the options are exercisable only by the designated manager during the designated manager's lifetime and may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the participant otherwise than by will or by the laws of descent and distribution.

Withholding. A designated manager shall be required to pay to us and we shall have the right to withhold any applicable withholding taxes in respect of the options, their exercise or any payment or transfer under the options or under the 2001 Stock Incentive Plan.

Securities Laws. Upon the acquisition of any shares pursuant to the exercise of the options, the participant will make or enter into written representations, warranties and agreements that we may reasonably request in order to comply with applicable securities laws or with the option agreement.

No Right to Continued Employment. Neither the 2001 Stock Incentive Plan nor the option agreement may be construed as giving the designated manager the right to be retained in employment by us. Further, we may at any time terminate the designated manager's employment, free from any liability or any claim under the plan or the option agreement without regard to due process or any obligation of good faith and fair dealing.

Shares Subject to Plan and Subscription Agreement. The shares are subject to the 2001 Stock Incentive Plan and the subscription agreement. In the event of a conflict between any term or provision contained in the option agreement and a term or provision of the 2001 Stock Incentive Plan or the subscription agreement, the applicable terms and provisions of the 2001 Stock Incentive Plan or the subscription agreement, as applicable, will govern and prevail. In the event of a conflict between any term or provision of the 2001 Stock Incentive Plan and any term or provision of the subscription agreement, the applicable terms and provisions of the subscription agreement will govern and prevail.

401(k) Plan Instruction Form

Upon the terms and conditions described in the section of this prospectus titled "The Offerings--Description of the Offerings," each of our U.S. employees who currently is a participant in the CB Richard Ellis Services 401(k) plan will be able to instruct the trustee of the 401(k) plan to invest a portion of his or her account balance in shares of our Class A common stock that we are offering by this prospectus. In order for an eligible participant to participate in this offering, the participant must complete, sign and return to the U.S. Trust Company a form of "Instructions to the Trustee" that U.S. Trust will make available to each of the plan participants prior to the merger.

In this form, if a participant would like to purchase shares of our Class A common stock to be held in his or her plan account, the participant will be required to identify the number of shares that the participant would like U.S. Trust to purchase in the offering. However, in the event that the offering of shares to be held in the 401(k) plan is over-subscribed, meaning U.S. Trust receives instructions to purchase more than the shares we have set aside in that offering, the amount of shares that each participant will be able to purchase in that offering will be reduced proportionately based upon the total number of 401(k) plan shares for which U.S. Trust receives instructions from all participating employees. Also in the form, if the participant is requesting U.S. Trust to purchase shares of our Class A common stock, the participant must instruct it to purchase the shares either by selling one or more investments in the participant's account and/or by applying the proceeds that the participant receives in the merger for the shares of CB Richard Ellis Services common stock that the participant holds in his or her 401(k) plan account, if any. If the participant would like to sell investments in his or her account to pay for all or part of the shares of our Class A common stock that will held in his or her account, then the participant will also need to complete and return to Vanguard Fiduciary Trust Company a form identifying which investments the participant would like to sell and in what amounts.

Upon the terms and conditions described in the section of this prospectus titled "The Offerings--Description of the Offerings," each of our U.S. employees and our independent contractors in the states of California, New York, Illinois and Washington at the time of the merger that holds stock fund units in his or her deferred compensation plan account that were vested prior to the time of the merger will be required to make one of the following elections:

- convert the value of those stock fund units, based upon a value of $16.00 per stock fund unit, into any of the insurance mutual fund or interest index fund alternatives that are available under the deferred compensation plan as of the effective time of the merger, or

- continue to hold those stock fund units in his or her account under the deferred compensation plan.

In order to make this election, the employee or independent contractor must complete, sign and return to CB Richard Ellis Services a form that it will make available to each of the eligible participants prior to the merger.

In this form, each of the eligible participants in the offering of shares of our Class A common stock underlying stock fund units will be required to identify the following:

- how many of his or her stock fund units that were vested prior to the merger he or she chooses to continue to hold in the plan after the offering, if any; and

- if he or she chooses to convert the value of his or her units to another alternative under the plan, which alternatives he or she chooses to convert the units into.

In addition, upon the terms and conditions described in the section of this prospectus titled "The Offerings--Description of the Offerings," each of the designated managers that decides to transfer into stock fund units a portion of his or her deferred compensation plan account balance that is currently allocated to the insurance mutual fund under the deferred compensation plan will be required to complete, sign and return to CB Richard Ellis Services a form that it will make available to each of the designated managers prior to the merger.

DESCRIPTION OF THE PLANS

CB Richard Ellis Services Deferred Compensation Plan

The CB Richard Ellis Services, deferred compensation plan, was adopted in 1994 and has undergone numerous amendments. As currently in effect, the deferred compensation plan permits a select group of management employees, as well as highly compensated employees, which generally are those whose compensation exceeds $100,000 a year, to elect immediately prior to the beginning of each calendar year to defer receipt of some or all of their compensation for the next year until a future distribution date and have it credited to one of three funds in the deferred compensation plan. From the participating employee's standpoint, these funds are bookkeeping accounts representing the right to receive a future distribution from us and the participant has no claim to any assets of CB Richard Ellis Services or its affiliates. The three funds are as follows:

- The Insurance Fund. A participant may elect to have his or her deferred compensation allocated to the Insurance Fund. Within the Insurance Fund the employee can elect to have gain or loss on deferrals measured by one or more of approximately 30 mutual funds. CB Richard Ellis Services hedges its obligations to the participants under the Insurance Fund by actually buying a contract of insurance within which it has premiums invested in the mutual funds which participants have elected to measure the value of their deferred compensation. Historically, CB Richard Ellis Services has held the insurance contract in a Rabbi Trust. The participants have no interest in or claim to the Rabbi Trust, the insurance contract or the mutual funds within the insurance contract; they are merely general unsecured creditors of CB Richard Ellis Services. The insurance contract and the Rabbi Trust are assets of CB Richard Ellis Services available to its general creditors, including the deferred compensation plan participants, in the event of the bankruptcy or insolvency of CB Richard Ellis Services.

- The Stock Fund. A participant may elect to have his or her deferrals allocated to the CB Richard Ellis Stock Fund, except that after the effective date of the merger such allocations may only be made with our consent. In the event a deferral is to be allocated to the Stock Fund,

the amount of the deferral is divided by the closing price of CB Richard Ellis Services common stock on the New York Stock Exchange on the date of the deferral, or its fair value on that date if the deferral is after the effective date of the merger, and the result equals the number of stock fund units credited to the participant's account. Each stock fund unit has a value equal to one share of CB Richard Ellis Services common stock or, after the merger, one share of our Class A common stock. Participants in the Stock Fund have greater risk than the participants in the other deferred compensation plan funds because their only right in the event of a bankruptcy or insolvency is to receive shares of common stock of CB Richard Ellis Services, or our Class A common stock after the merger, and holders of these shares would only receive those of our assets remaining in bankruptcy or insolvency after the claims of all our creditors, including deferred compensation plan participants with allocations in the Interest Index Funds and the Insurance Fund, have been satisfied.

- Interest Index Funds. From the deferred compensation plan's inception in 1994 until May of 1999 participants could elect to have their deferrals allocated to an Interest Index Fund, which we refer to as "Interest Index Fund I." All these allocations were then credited with interest at the rate payable by CB Richard Ellis Services under its principal credit agreement. Interest Index Fund I was suspended in April 1999 and no new deferrals were permitted to be allocated to it. Effective June 1, 2001 a new Interest Index Fund, which we refer to as "Interest Index Fund II," will be established. All deferrals allocated to Interest Index Fund II will be credited with interest at 11 1/4% per year for five years, or until distributed if earlier, and after that time at a rate no lower than the rate CB Richard Ellis pays under its principal credit agreement. The deferrals to Interest Index Fund II will not be funded with a Rabbi Trust or otherwise. Interest Index Fund II will only accept up to $20 million in deferrals, other than pursuant to the 2000 Company Match Program described below. A participant may elect to move allocations from the Insurance Fund--but not the Stock Fund or Interest Index Fund I--into Interest Index Fund II. After five years CB Richard Ellis Services reserves the right to terminate Interest Index Fund II. In that event a participant's account balance in Interest Fund II either will be distributed in cash

to the participant or invested in the Insurance Fund. If a participant's account balance in Interest Index Fund II is to be invested in the Insurance Fund, CB Richard Ellis Services will transfer cash equal to the account balance into the Rabbi Trust for the Insurance Fund. The choice between a cash distribution and a new investment in the Insurance Fund is that of the participant, but the choice must be made prior to January 1, 2002. If a participant does not make a choice prior to January 1, 2002, he or she will be deemed to have elected a cash distribution.

Distribution Payments. The deferred compensation plan permits participants to elect in service distributions, which may not begin less than three years following the election, and post-employment distributions. These distributions may be (a) in the form of a lump sum payment on a date selected by the participant or (b) in a series of quarterly installment payments, or annual installment payments in the case of stock fund units. Stock fund units are distributed only in the form of shares of common stock of CB Richard Ellis Services, or our Class A common stock after the merger. Separate distribution elections are permitted with respect to the deferrals for each year. There is limited flexibility to change distribution elections once made. A participant may elect to receive a distribution of his or her vested accounts at any time subject to a charge equal to 10% of the amount to be distributed.

Company Match Program. The Company Match Program is a part of the deferred compensation plan and was in effect for just two years--1999 and 2000 and is not expected to be in effect in 2001. Under the Company Match Program, CB Richard Ellis allocated to the accounts of sales professionals who generated more than $1,000,000 in gross commissions for either of 1999 or 2000 an amount equal to the least of the following:

- the amount the sales professional deferred pursuant to the deferred compensation plan for the applicable year;

- 10% of one-half the sales professional's gross commission; and

- $100,000

The 1999 Company Match was made in the first quarter of 2000 in the form of an allocation of CB Richard Ellis Services stock fund units. In order to receive the 1999 Company Match a participant had to (1) sign a three year covenant not to compete, and (2) direct that a portion of his or her 1999 deferrals equal to 50% of the 1999 Company Match be allocated to CB Richard Ellis stock fund units. The 1999 Company Match vests 20% a year over a five-year period. In order to vest for any given year the participant must be employed by CB Richard Ellis Services on the last day of that year. The first 20% of the 1999 Company Match vested on December 31, 2000. Distributions of

the 1999 Company Match benefits will be made only in shares of stock of CB Richard Ellis Services, or our Class A common stock after the merger, and only upon termination of employment. Upon the completion of the merger, the 1999 Company Match will 100% vest and remain credited to a participant's account as stock fund units.

The 2000 Company Match is identical to the 1999 Company Match except that (1) the amount of the Match will be allocated to Interest Index Fund II, (2) the participant must elect to have a portion of his or her 2000 deferrals equal to 50% of the 2000 Company Match allocated to Interest Index Fund II, although to the extent these deferrals were invested in the stock fund they will reduce the 50% allocation requirement, (3) vesting begins December 31, 2001 rather than December 31, 2000 and (4) distributions will be made in the form of cash rather than the shares of common stock. The completion of the merger will not result in any acceleration of vesting under the 2000 Company Match.

Company Retention Program. The Company Retention Program is also a part of the deferred compensation plan and was in effect for just one year, 2000 and is not expected to be in effect in 2001. Under the Retention Program the top 125 sales professionals were allocated CB Richard Ellis stock fund units as follows:

<TABLE>
<CAPTION>

Rank	Stock Units
<S>	<C>
1-15	5,700
16-75	4,500
76-125	3,000

</TABLE>

The 5,700 and 4,500 share unit awards were conditioned upon the participant executing a three-year covenant not to compete. Retention Awards vest only if the participant is continuously employed by CB Richard Ellis Services through December 31, 2004. If a participant's employment terminates before that date, he or she forfeits the entire award and is not subject to the covenant not to compete. Distribution of benefits under the Company Retention Program are made only in shares of common stock of CB Richard Ellis, or our Class A common stock after the merger, and only after termination of employment.

Company Recruitment Program. The Company Recruitment Program is a part of the deferred compensation plan and permits the grant of awards--in the form of allocations under the deferred compensation plan--up to a total of $3,218,750. The Company Recruitment Plan was terminated effective April 1, 2001. During the first ten months of 2000, awards generally were made in the form of CB Richard Ellis Services stock fund units. After October 31, awards have been made in the form of allocations to the Insurance Fund. The recruitment awards can only be made to new hires who are experienced sales professionals and can demonstrate that either in the current year or the previous year they have had income from services of more than $100,000. In order to receive a Recruitment Award an individual must execute a three-year covenant not to compete. Recruitment awards vest only if the individual is continuously employed by CB Richard Ellis Services for four years from the date of the award. If a participant's employment terminates prior to that date, he or she forfeits the entire award and is not subject to he covenant not to compete.

Amendments in Connection with the Merger. A series of amendments to the deferred compensation plan will be made in connection with or as a result of the merger:

- Interest Index Fund II will be established.

- As of the effective time of the merger, each stock fund unit will thereafter represent the right to receive one share of our Class A common stock in accordance with the terms and conditions set forth in the deferred compensation plan instead of one share of CB Richard Ellis Services.

- Prior to the merger, participants who have CB Richard Ellis stock fund units that were vested prior to the merger will be required to make one of the following elections prior to the merger: (1) retain those stock fund units in their account, provided that this option will only be available to participants that are employees of CB Richard Ellis Services at the closing of the merger or are independent contractors of CB Richard Ellis Services or its subsidiaries in the states of California, New York, Illinois and Washington at the closing of the merger, or (2) convert the value of those stock fund units, at $16.00 per unit, into an allocation to Interest Index Fund II or in the Insurance Fund and select mutual funds within that fund in each case to measure future gains or losses for the amount so converted.

- The Rabbi Trust, which is used to hold the insurance contracts for the Insurance Fund, has been amended effective June 1, 2001 to delete the provision that makes it irrevocable upon a change of control of CB Richard Ellis Services and to permit CB Richard Ellis Services to direct the trustee to take out of the Rabbi Trust any amounts participants elect to transfer from the Insurance Fund to Interest Index Fund II or, in the case of designated managers, into stock fund units.

- After the merger, prior to the earlier of the occurrence of the tenth anniversary of the merger or 180 days after an underwritten initial public offering of our Class A common stock in which it becomes listed for trading on a national securities exchange of are quoted on the Nasdaq National Market, before a participant may receive a distribution of shares of our Class A common stock pursuant to the terms of the plan the participant will be required to sign and deliver a stockholder's agreement to us. This stockholder's agreement will generally contain all the terms described in the section of this prospectus titled "Description of the Offering Documents--Subscription Agreements--Description of Terms in All Subscription Agreements," except that it will not contain the terms regarding assignment of proceeds from the merger, representations and warranties or conditions to subscription.

For 2002 and subsequent years, an employee will have to have income from salary, bonus and commissions of $150,000, as compared to $100,000 currently, or more in order to participate in the deferred compensation plan. However, in the case of a sales professional, if his or her commissions for the prior year exceeded $150,000, then he or she will be eligible for immediate first dollar participation in the deferred compensation plan. This change is being made in response to recent court decisions. For sales professionals whose compensation in the prior year did not exceed $150,000, participation will be permitted only with respect to compensation in excess of $150,000 for the deferral year.

Federal Income Tax Consequences of the Amendments. A participant will not recognize any ordinary income on the conversion of his or her investment in stock fund units with underlying shares of CB Richard Ellis Services common stock into an investment in stock fund units with underlying shares of our Class A common stock, mutual funds under the Insurance Fund or Interest Index Fund II. Upon the distribution to the participant of shares of our Class A common stock, the participant will recognize ordinary income equal to the fair market value of the shares at the time of distribution. Accordingly, a participant may be subject to tax liability although the participant received payment of shares, which may lack liquidity, rather than cash. Upon the payment of cash equal to the value of the participant's Insurance Fund or Interest Index Fund I or II account, the participant will recognize ordinary income equal to the cash received.

CB Richard Ellis Services 401(k) Plan

CB Richard Ellis Services maintains the CB Richard Ellis Services 401(k) Plan, which is a tax qualified retirement plan that we generally refer to as the 401(k) plan. Generally, an employee of CB Richard Ellis Services is eligible to participate in the plan if the employee is at least 21 years old.

Contributions. The plan provides for participant contributions as well as discretionary employer contributions. A participant is allowed to contribute to the plan from 1% to 15%, in whole percentages, of his or her compensation, subject to limits imposed by the U.S. Internal Revenue Code. Participant contributions may be on a pre-tax basis, which we refer to as "pre-tax contributions" or on an after-tax basis, which we refer to as "after-tax contributions." In addition, a participant may roll over to the plan his or her account balance from a retirement plan of a former employer. Each year, CB Richard Ellis Services determines an amount of employer contributions, if any, it will contribute to the plan, which we refer to as "CB Richard Ellis Services contributions," based on the performance and profitability of the consolidated United States operations of CB Richard Ellis Services. CB Richard Ellis Services contributions for a year are allocated to participants who are actively employed on the last day of the plan year in proportion to each participant's pre-tax contributions for that year, up to 5% of the participant's compensation. All amounts contributed to the plan, both participant contributions and CB Richard Ellis Services contributions, are held in a trust fund. The trust fund is currently administered by an independent trustee, Vanguard Fiduciary Trust Company. All amounts in the trust fund can only be used for the benefit of participants. The trustee makes all benefit payments from the trust fund.

Vesting. A participant is always 100% vested in his or her pre-tax contributions, after-tax contributions and rollover contributions. A participant will become vested in CB Richard Ellis Services contributions as

follows: (x) less than 5 years of vested service, 0% and (y) 5 years or more of vested service, 100%. However, a participant will become 100% vested, regardless of years of vested service, if (1) the participant reaches age

65 while actively employed, (2) the participant was hired after age 65 and becomes eligible to participate in the plan, (3) the participant dies or becomes disabled while employed, or (4) the plan is terminated.

Investments. The participant may direct the investment of his or her account into a number of available investment options under the plan, currently including an option to invest in CB Richard Ellis Services common stock, and may change his or her investment elections pursuant to the terms of the plan. From time to time, CB Richard Ellis Services may change the investment options under the plan.

Voting Rights. Voting rights in the mutual fund alternatives are not passed through to participants. However, voting rights with respect to the CB Richard Ellis Services common stock in the CB Richard Ellis Services Common Stock Fund are passed through to participants. Currently, the trustee votes shares of CB Richard Ellis Services common stock in the CB Richard Ellis Services Common Stock Fund that are not voted by participants in the same proportion as the shares in the fund for which the trustee did receive participants' directions.

In Service Withdrawals. Generally, a participant is not entitled to a distribution from the plan during employment. However, during employment, a participant may take a loan from the plan of up to the lesser of (1) 50% of his or her vested account balance and (2) $50,000. In addition, after reaching age 59 1/2, a participant may withdraw all or a portion of his or her vested account balance from the plan. Last, if the participant is less than 59 1/2, he or she may, in limited circumstances, be eligible for a hardship withdrawal. However, if a participant holds shares of our Class A common stock in his or her account after the merger, as described below, he or she will be unable to take a loan from the plan, or receive a hardship withdrawal, with respect to those shares.

Distributions. Generally, upon the participant's termination of employment, distributions from the plan are made in a single lump sum cash payment. However, if the participant has an account balance in the CB Richard Ellis Services Common Stock Fund, the participant may receive his or her distribution of all or a portion of his or her balance in that fund either in shares or in cash.

Consequences of the Merger. In connection with the merger, each share of CB Richard Ellis Services common stock currently held by the plan in the CB Richard Ellis Services Common Stock Fund and credited to participant accounts will be exchanged for $16.00 in cash, and the plan will be amended to eliminate the CB Richard Ellis Services Common Stock Fund as an investment option within the plan. The cash received for the shares of CB Richard Ellis Services common stock will be available for reinvestment in one or more of the investment alternatives contained within the plan in accordance with the terms of the plan, including the new CBRE Holding Common Stock Fund under the circumstance described below.

New Employer Stock Fund. In connection with the merger, a new CBRE Holding Common Stock Fund will be created as a plan investment alternative. All of our active U.S. employees participating in the plan at the time of the merger will be offered the opportunity to direct the trustee of the plan to purchase for the CBRE Holding Common Stock Fund shares of our Class A common stock at an offering price of $16.00 per share. The aggregate number of shares that we will be offering for purchase by the CBRE Holding Common Stock Fund will be 889,819. These U.S. employees may use only pre-tax contributions and rollover contributions for their investments in the CBRE Holding Common Stock Fund, and no participant may invest more than 50% of his or her entire plan account balance in the CBRE Holding Common Stock Fund as of June 1, 2001.

401(k) Plan Trustee and Instructions Form. U.S. Trust Company, National Association has been retained by CB Richard Ellis Services to act as an independent trustee of the CBRE Holding Common Stock Fund investment alternative in the plan. In order to acquire shares of our Class A common stock in this offering using his or her plan account, a participant in the 401(k) plan at the time of the merger must affirmatively elect, prior to the subscription deadline, to direct U.S. Trust, as stock fund trustee, to invest a portion of his or her plan account in CBRE Holding shares after the merger, as described above. In order to make this election, the participant will be required to complete and return to U.S. Trust the form of instructions described in the section of this prospectus titled "Description of the Offering Documents--401(k) Plan Instructions Form." If

an employee has not furnished instructions to the trustee using the appropriate form prior to the subscription deadline as described above, the employee will not be able to participate in the offering of shares of our Class A common

stock to be held in the 401(k) plan.

Adequate Consideration Requirement. U.S. Trust will be obligated to follow the purchase decisions made by participants unless it determines that the instructions are not consistent with its fiduciary obligations under the Employee Retirement Income and Security Act of 1974. In this regard, U.S. Trust will engage an independent financial advisor and will only follow the purchase instructions if it receives an opinion from this advisor that concludes that the purchase price is fair to plan participants and constitutes "adequate consideration" for purposes of ERISA.

Inability to Sell Shares Held in the Plan. In evaluating the offer of securities to be purchased within the plan, and whether an investment in the CBRE Holding Common Stock Fund satisfies the prudence requirements required by ERISA for retirement plan investments, participants should take into account that following the merger they will not be able to sell these shares and invest the proceeds in other investments under the plan.

Participants should also take into account that an investment in the CBRE Holding Common Stock Fund may limit the participant's ability to receive loans or hardship withdrawals from the plan, since shares of our Class A common stock held in the CBRE Holding Common Stock Fund may not be used for loans or hardship withdrawals.

Voting and Plan Distributions. Participants will generally be entitled to direct U.S. Trust with respect to the voting of shares allocated to their accounts in the CBRE Holding Common Stock Fund consistent with the current practice Vanguard has implemented with respect to the CB Richard Ellis Services Common Stock Fund, described above. To the extent a participant who is invested in the CBRE Holding Common Stock Fund is entitled to a distribution under the plan, the participant will have the right either to receive this portion of his or her distribution in shares of our Class A common stock or to instruct the trustee to sell the shares and receive the cash proceeds of the sale. If the trustee cannot otherwise sell the shares prior to an underwritten initial public offering after which our Class A common stock is listed for trading on a national securities exchange or is quoted on the Nasdaq National Market, we will be obligated to purchase these shares at the then fair market value.

Stockholders Agreement. If the participant elects to receive shares of our Class A common stock upon a distribution prior to the earlier of the occurrence of the tenth anniversary of the merger or 180 days after an underwritten initial public offering of our Class A common stock in which it becomes listed for trading on a national securities exchange or are quoted on the Nasdaq National Market, if the participant has not previously signed a subscription agreement, before he or she may receive the distribution of these shares pursuant to the terms of the plan the participant will be required to sign and deliver a stockholder's agreement to us. This agreement will contain substantially the same provisions as the subscription agreements, other than with respect to the provisions regarding purchasing shares. For a description of the terms of the subscription agreement, see "Description of the Offering Documents--Subscription Agreements."

2001 Stock Incentive Plan

The following description of the 2001 CBRE Holding, Inc. Stock Incentive Plan, which we refer to as our stock incentive plan, is not complete and is qualified by reference to the full text of the stock incentive plan, which has been filed as an exhibit to the registration statement. The stock incentive plan was adopted by our board of directors on June 7, 2001. Both the shares of CBRE Holding Class A common stock for direct ownership and the options to acquire CBRE Holding Class A common stock being offered by this prospectus are being issued or granted, as the case may be, pursuant to the stock incentive plan.

The stock incentive plan permits the grant of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to our employees, directors or independent contractors. The number of shares issued or reserved pursuant to the stock incentive plan, or pursuant to outstanding awards, is subject to adjustment on account of stock splits, stock dividends and

other dilutive changes in our Class A common stock. Class A common stock covered by awards that expire, terminate or lapse will again be available for option or grant under the stock incentive plan.

Administration. The stock incentive plan is administered by our board of directors, which may delegate its duties and powers in whole or in part to any committee of the board of directors. The board of directors has the sole discretion to determine the employees, directors and independent contractors to whom awards may be granted under the stock incentive plan and the manner in

which these awards will vest. Options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards will be granted by the board of directors to employees, directors and independent contractors in the numbers and at the times during the term of the stock incentive plan as the board of directors determines. The board of directors is authorized to interpret the stock incentive plan, to establish, amend and rescind any rules and regulations relating to the stock incentive plan, and to make any other determinations that it deems necessary or desirable for the administration of the stock incentive plan. The board of directors may correct any defect, supply any omission or reconcile any inconsistency in the stock incentive plan in the manner and to the extent the board of directors deems necessary or desirable.

Options. The board of directors will determine the exercise price for each option. However, an incentive stock option must generally have an exercise price that is at least equal to the fair market value of the shares on the date the option is granted. An optionholder may exercise an option by written notice and payment of the exercise price (1) in cash or its equivalent, (2) by the surrender of a number of shares of our common stock already owned by the optionholder for at least six months, or other period established from time to time by us in order to avoid adverse accounting treatment applying U.S. generally accepted accounting principles, with a fair market value equal to the exercise price, (3) in a combination of cash and shares of our common stock as qualified by clause (2) above or (4) if a public market for the shares exists, through the delivery of irrevocable instruments to a broker to sell shares of our common stock obtained upon exercise of the option and to deliver promptly to us an amount out of the proceeds of the sale equal to the exercise price for the shares being purchased. Optionholders may satisfy their income tax withholding obligation through the withholding of a portion of the shares to be received upon exercise of the option.

Other Stock-Based Awards. Our board of directors may grant awards of restricted stock units, shares of Class A common stock and restricted stocks and awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, shares. The other stock-based awards will be subject to the terms and conditions established by the board of directors.

Transferability. Unless otherwise determined by our board of directors, awards granted under the stock incentive plan are not transferable other than by will or by the laws of descent and distribution.

Change of Control. In the event of a change of control, (1) any outstanding awards then held by participants which are unvested or otherwise unexercisable will automatically be deemed exercisable or otherwise vested, as the case may be, as of immediately prior to the change of control and (2) our board of directors may (A) provide for a cash payment to the holder of an award in consideration for the cancellation of the award and/or (B) provide for substitute or adjusted awards. The definition of "change of control" is generally either of the following:

- the sale or disposition, in one or a series of related transactions, of all, or substantially all, of the assets of CBRE Holding to any "person" or "group", as defined in Sections 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, other than RCBA Strategic, Freeman Spogli or their affiliates or any group which includes any of them; or

- any person or group, other than RCBA Strategic, Freeman Spogli or their affiliates, is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of CBRE Holding, including by way of merger, consolidation or otherwise and the representatives of RCBA Strategic, Freeman Spogli or their affiliates, individually or in the aggregate, cease to have the ability to elect a majority of the board of directors of CBRE Holding; for these purposes, a member of a group will not be considered to beneficially own the securities owned by other members of the group.

Amendment and Termination. Our board of directors may amend, alter or discontinue the stock incentive plan in any respect at any time, but no amendment can diminish any of the rights of a participant under any awards previously granted without his or her consent.

Federal Income Tax Consequences of the Awards under the Stock Incentive Plan. When a nonqualified stock option is granted, there is no income tax consequence for the optionholder or us. When a nonqualified stock option is exercised, in general, the optionholder recognizes compensation equal to the excess of the fair market value of the shares on the date of exercise over the exercise price. We are entitled to a deduction equal to the compensation recognized by the optionholder.

When an incentive stock option is granted, there are no income tax consequences for the optionholder or us. When an incentive stock option is

exercised, the optionholder does not recognize income and we do not receive a deduction. The optionholder, however, must treat the excess of the fair market value of the shares on the date of exercise over the exercise price as an item of adjustment for purposes of the alternative minimum tax. If the optionholder disposes of shares after the optionholder has held the shares for at least two years after the incentive stock option was granted and one year after the incentive stock option was exercised, then the amount the optionholder receives upon the disposition over the exercise price is treated as long-term capital gain to the optionholder. We are not entitled to a deduction. If the optionholder makes a "disqualifying disposition" of the shares by disposing of the shares before the shares have been held for the above-described holding period, then the optionholder generally recognizes compensation income equal to the excess of (1) the fair market value of the shares on the date the incentive stock option was exercised, or, if less, the amount received on the disposition, over (2) the exercise price. We are entitled to a deduction equal to the income recognized by the optionholder.

When a stock appreciation right is granted, there are no income tax consequences for the participant or us. When a stock appreciation right is exercised, in general, the participant recognizes compensation equal to the cash and/or the fair market value of the shares received upon exercise. We are entitled to a deduction equal to the compensation recognized by the participant.

The fair market value of shares of Class A common stock, or the cash, that a participant receives upon the grant of other stock-based awards over the amount paid for the other stock-based awards, excluding options, is generally recognized as compensation by the participant. However, if the other stock-based awards consist of property subject to a substantial risk of forfeiture, the amounts generally will not be recognized as ordinary income by the participant until the substantial risk of forfeiture lapses or until the participant makes an election under Section 83(b) of the Internal Revenue Code. We are entitled to a deduction equal to the income recognized by the participant.

THE MERGER TRANSACTIONS

Generally

The offerings being made by this prospectus are part of a series of substantially simultaneous transactions, including the proposed merger of our wholly-owned subsidiary, BLUM CB Corp., with and into CB Richard Ellis Services, Inc. pursuant to the amended and restated merger agreement, dated as of May 31, 2001, among us, CB Richard Ellis Services and BLUM CB Corp. Pursuant to the merger agreement, and subject to conditions set forth in the merger agreement, as a result of the merger, each of the outstanding shares of CB Richard Ellis Services common stock at the time of the merger, other than shares held by members of the buying group who will receive shares of our Class B common stock instead, will be converted into the right to receive $16.00 in cash. As a result of this proposed merger, CB Richard Ellis Services would become our direct, wholly-owned subsidiary and the common stock of CB Richard Ellis Services would be delisted from the New York Stock Exchange. The completion of these offerings of our Class A common stock are conditioned upon the closing of the merger.

Pursuant to an amended and restated contribution and voting agreement, immediately prior to the merger each of the members of the buying group will contribute to us all of the shares of CB Richard Ellis Services common stock that he or it directly owns. Each of these shares contributed to us will be cancelled as a result of the merger. We will issue one share of our Class B common stock in exchange for each share of CB Richard Ellis Services common stock contributed to us. This will result in the issuance to the buying group of an aggregate of 8,052,087 shares of our Class B common stock in exchange for these contributions. Also pursuant to the contribution and voting agreement, the BLUM Funds have agreed to purchase for cash immediately prior to the merger a minimum of 2,553,879 shares of our Class B common stock at $16.00 per share. In addition, the BLUM Funds have agreed to purchase for $16.00 per share in cash an additional number of shares of our Class B common stock for $16.00 per share equal to (1) 3,236,639 shares minus (2) the number of shares of our Class A common stock and stock fund units subscribed for in the offerings made by this prospectus plus (3) the aggregate amount of full-recourse notes delivered by designated managers in the offerings divided by $16.00. The number of shares purchased by the BLUM Funds will be reduced by 241,885 shares, which is the sum of the 10 shares of CBRE Holding common stock initially owned by RCBA Strategic and the 241,875 shares of CBRE Holding common stock purchased by RCBA Strategic for $16.00 per share in connection with the closing of the sale of 11 1/4% senior subordinated notes by BLUM CB Corp. as described below. The proceeds from the sale of those shares to RCBA Strategic were contributed to BLUM CB Corp., which deposited the proceeds in an escrow account for release when the merger is completed. If the offerings to employees are fully subscribed and none of our designated managers elects to deliver a full-recourse note as payment for the subscribed shares, the BLUM Funds will have no obligation to purchase additional shares and they will hold approximately 39.3% of our

outstanding Class A and Class B common stock and stock fund units. The amount of equity contributed by the BLUM Funds to us may be increased although there is no obligation to do so.

In connection with the merger and related transactions, we will issue and sell to DLJ Investment Funding, Inc., $65.0 million in aggregate principal amount of our 16% Senior Notes due 2011 and 521,847 shares of our Class A common stock for an aggregate price of $65.0 million. A portion of the 16% senior notes and related Class A common stock may be purchased by persons other than DLJ Investment Funding, Inc. Also, in connection with the merger, CB Richard Ellis Services will assume $229 million in aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 of BLUM CB Corp., which were issued and sold for approximately $225.6 million on June 7, 2001. The net proceeds from the sale of those notes by BLUM CB Corp. are currently being held in an escrow account and will be released when the merger is completed. In addition, CB Richard Ellis Services will enter into a new senior secured credit agreement with CSFB and other leaders under which CB Richard Ellis Services will borrow up to $225.0 million in term loans. This credit agreement will also include a $100.0 million revolving credit facility, which is intended to finance our working capital requirements after December 31, 2000, and a portion of which will be drawn upon at the time of the merger. For additional information regarding the indebtedness we will incur in connection with the merger, you should read the section of this prospectus titled "Description of Indebtedness."

The proceeds from the sale of our senior notes and related Class A common stock, the offerings of our Class A common stock and the purchase of our Class B common stock by the BLUM Funds, together with borrowings under the credit agreement and the proceeds from the 11 1/4% senior subordinated notes, will be used to pay the holders of CB Richard Ellis Services common stock immediately prior to the merger, other than the members of the buying group, consideration of $16.00 per share in the merger, to refinance substantially all of CB Richard Ellis Services' existing indebtedness, to pay fees and expenses associated with the merger and for working capital and other general corporate purposes. For additional information regarding the use of proceeds received in the offerings, you should read the section of this prospectus titled "Use of Proceeds."

Also in connection with the merger, we, each of the members of the buying group and DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock will enter into a securityholders' agreement, which will contain agreements among us, the holders of the Class B common stock and DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock, including voting, transfer, restrictions, participation rights, registration rights, and a right of first offer in favor of the BLUM Funds.

The following summarizes the merger agreement, the securityholders' agreement and the contribution and voting agreement, each of which is included as an exhibit to the registration statement filed with the SEC of which this prospectus forms a part. You should carefully read each of the agreements in their entirety and not rely solely upon the description of the agreements provided below.

Merger Agreement

The merger agreement provides that BLUM CB, a Delaware corporation wholly-owned by us, will merge into CB Richard Ellis Services. Following the completion of the merger, BLUM CB will cease to exist as a separate entity and CB Richard Ellis Services will continue as the surviving corporation and as our wholly-owned subsidiary.

Effective Time. The merger will become effective upon the filing of a certificate of merger with the Secretary of State of Delaware or at such later time as specified in the certificate of merger. We refer to this time as the effective time. We expect this filing to occur as soon as practicable after the adoption of the merger agreement by the stockholders of CB Richard Ellis Services at a special meeting and the satisfaction or waiver of the other conditions to the merger as set forth in the merger agreement.

Merger Consideration. At the effective time of the merger, each share of CB Richard Ellis Services common stock outstanding immediately prior to the effective time will be cancelled and automatically converted into the right to receive $16.00 in cash, without interest or other payment, with the following exceptions:

- treasury shares, shares of CB Richard Ellis Services common stock owned by us or BLUM CB, which will include the shares contributed to us by the buying group immediately prior to the merger, and shares of CB Richard

Ellis Services common stock owned by any of its subsidiaries will be cancelled without any payment; and

- shares held by stockholders who have perfected their dissenters' rights will be subject to appraisal in accordance with Delaware law.

At the effective time of the merger, each share of the common stock of BLUM CB issued and outstanding immediately before the effective time will be converted into the right to receive one share of common stock of CB Richard Ellis Services.

Pursuant to the contribution and voting agreement which is described below, each share of CB Richard Ellis Services common stock held by a member of the buying group will be contributed by them to us immediately prior to the merger in consideration for the issuance by us of an identical number of shares of our

Class B common stock. Each of the shares of the buying group contributed to us will be cancelled in connection with the merger without payment.

Cancellation of Options in the Merger. At the effective time of the merger, each holder of an option to purchase shares of CB Richard Ellis Services common stock outstanding under any of its stock option or compensation plans or arrangements, whether or not vested, will have the right to have the option canceled and in exchange CB Richard Ellis Services will pay to each holder of a canceled option, as soon as practicable following the effective time, an amount per share that is subject to the option, equal to the greater of (A) the amount by which $16.00 exceeds the exercise price of the option, if any, and (B) $1.00, reduced in each case by applicable tax withholding.

Each holder of an option that does not elect to receive the consideration described in the previous sentence will continue to hold his or her options to acquire CB Richard Ellis Services common stock after the merger. However, after the merger, CB Richard Ellis Services will be our wholly-owned subsidiary and its common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934. Accordingly, if any holder exercised his or her options after the merger, the holder would receive common stock of our subsidiary, which common stock would be difficult, if not impossible, to sell.

CB Richard Ellis Services Deferred Compensation Plan. At the effective time of the merger, the CB Richard Ellis Services deferred compensation plan will be amended so that each stock fund unit will represent the right to receive one share of our Class A common stock on a future distribution date as described in the plan instead of one share of CB Richard Ellis Services common stock. Each of our U.S. employees and each of our independent contractors in the states of California, New York, Illinois or Washington who has stock fund units credited to his or her account that have vested prior to the merger will be required, prior to the merger, to make one of the following elections with respect to those stock fund units:

- convert the value of those stock fund units, based upon a value of $16.00 per stock fund unit, into any of the insurance mutual fund or interest index fund alternatives that are available under the deferred compensation plan as of the effective time of the merger, or

- continue to hold those stock fund units in his or her account under the deferred compensation plan.

Every other participant in the deferred compensation plan who has stock fund units credited to his or her account that have vested prior to the merger must convert the value of those stock fund units, based upon a value of $16.00 per stock fund unit, into any of the insurance mutual fund or interest index fund alternatives that are available under the deferred compensation plan.

All stock fund units that have not vested prior to the time of the merger, including any stock fund units that will vest as a result of the merger, will automatically remain in the deferred compensation plan after the merger and represent the right to receive shares of our Class A common stock on future distribution dates as described in the plan.

CB Richard Ellis Services 401(k) Plan. At the effective time of the merger, each share of CB Richard Ellis Services common stock credited to an employee account in the CB Richard Ellis Services 401(k) plan will be exchanged for $16.00 in cash. At the effective time of the merger, provided that the registration statement of which this prospectus forms a part has been declared effective by the SEC, each of our U.S. employees with an account balance in the CB Richard Ellis Services 401(k) plan may then elect to invest, pursuant to the terms of the 401(k) plan, in shares of our Class A common stock based on a purchase price of $16.00 per share. However, the aggregate number of shares of our Class A common stock that will be made available for purchase will be 889,819 shares. In the event that we receive requests to purchase an aggregate number of shares of our Class A common stock in excess of the amount described above, the amount subscribed to by each participant in the offerings will be

reduced pro rata based on the number of shares of our Class A common stock that each participant initially requested to purchase. In any event, no participant will be entitled to have greater than 50% of his or her total account balance in the CB Richard Ellis Services 401(k) plan

invested in CBRE Holding shares as of the effective time of the merger, with all other investments in his or her 401(k) plan account being valued as of June 1, 2001.

Officers, Directors and Governing Documents. Upon and after the effective time of the merger, the directors of BLUM CB will become the directors of CB Richard Ellis Services and the current officers of CB Richard Ellis Services will remain the officers of CB Richard Ellis Services in each case until their successors are duly elected or appointed and qualified. The certificate of incorporation and bylaws of CB Richard Ellis Services in effect immediately prior to the effective time will remain the certificate of incorporation and bylaws of CB Richard Ellis Services, each until amended, except that the certificate of incorporation will be amended in connection with the merger to create a new class of preferred stock that will be held by CBRE Holding, Inc. after the merger.

Conditions to the Merger. The obligations of CB Richard Ellis Services and us to complete the merger are subject to the satisfaction or, if legal, waiver of each of the following conditions:

- stockholders who hold a majority of the outstanding common stock of CB Richard Ellis Services must adopt the merger agreement;
- stockholders who hold at least 66 2/3% of the shares of outstanding common stock of CB Richard Ellis Services not owned by the members of the buying group or their affiliates must adopt the merger agreement;
- no governmental entity can have enacted any law or taken any other action that restrains, enjoins or otherwise prohibits the merger or makes it illegal; and
- the registration statement, of which this prospectus forms a part, must have been declared effective by the Securities and Exchange Commission and continue to be effective.

The obligation of CB Richard Ellis Services to complete the merger is subject to the satisfaction or waiver of each of the following additional conditions:

- we and BLUM CB must have performed in all material respects all of our and their obligations under the merger agreement required to be performed at or before the effective time of the merger;
- the representations and warranties made by BLUM CB and us in the merger agreement must have been true and correct in all material respects when made and at and as of the effective time of the merger;
- CB Richard Ellis Services must have received a certificate signed by the president or chief executive officer of each of BLUM CB and us as to compliance with the conditions specified in the two preceding paragraphs;
- we and BLUM CB must have obtained or made all consents, approvals, actions, orders, authorizations, registrations, declarations, announcements and filings with any governmental entity that are required in connection with the merger and the other transactions contemplated by the merger agreement and that, if not obtained, would make the merger illegal or would be reasonably likely, individually or in the aggregate, to prevent or materially impair the ability of BLUM CB and us to complete the merger transactions or to have a material adverse effect on CB Richard Ellis Services in the merger; and
- the special committee must have received a letter addressed to it from a valuation firm as to the solvency of CB Richard Ellis Services and its subsidiaries after giving effect to the merger, the financing arrangements contemplated by BLUM CB with respect to the merger and the other transactions contemplated by the merger agreement.

Our obligation to complete the merger is subject to the satisfaction or waiver of each of the following additional conditions:

- CB Richard Ellis Services must have performed in all material respects its obligations contained in the merger agreement required to be performed at or before the effective time of the merger;

- the representations and warranties made by CB Richard Ellis Services in the merger agreement must have been true and correct in all material respects when made and at and as of the effective time of the merger;

- we must have received a certificate signed by the chief executive officer or chief financial officer of CB Richard Ellis Services as to its compliance with the conditions specified in the two preceding paragraphs;

- CB Richard Ellis Services must have obtained or made all consents, approvals, actions, orders, authorizations, registrations, declarations, announcements and filings with any governmental entity that are required in connection with the merger and the other transactions contemplated by the merger agreement and that, if not obtained, would make the merger illegal or would be reasonably likely to have, individually or in the aggregate, a material adverse effect on CB Richard Ellis Services, unless the failure of this condition to be satisfied is due to willful breach by either of the acquisition companies of any agreement, including the agreements related to our financing arrangements for the merger and the other transactions contemplated by the merger agreement;

- the proceeds from the issuance and sale of the senior subordinated notes must have been released to BLUM CB Corp. from the escrow account into which they were deposited in connection with the closing of the offering of the senior subordinated notes, and the funding contemplated by the commitment letters for our financing of the merger and the other transactions contemplated by the merger agreement must have been obtained, or suitable alternative financing must have been obtained; and

- consent must have been obtained from the holders of the portion of CB Richard Ellis Services' 8 7/8% senior subordinated notes outstanding required to amend those notes' indenture to permit the merger and the other transactions contemplated by the merger agreement. As of June 8, 2001, a majority of the holders of the 8 7/8% senior subordinated notes had consented to the amendments to the Indenture and had tendered their notes.

The merger agreement defines a material adverse effect on CB Richard Ellis Services as any material adverse effect on (1) the business, assets, liabilities, financial condition or results of operations of CB Richard Ellis Services and its subsidiaries, taken as a whole, or (2) the ability of CB Richard Ellis Services to perform its obligations under the merger agreement or the other agreements and transactions contemplated by the merger agreement, in each case other than changes or developments resulting from global general economic or political conditions, conditions generally affecting the industry in which CB Richard Ellis Services and its subsidiaries operate, changes in U.S. or global financial markets or conditions, any generally applicable change in law or GAAP or interpretation of law or GAAP or the announcement of the merger agreement or the transactions contemplated by it or CB Richard Ellis Services' performance of its obligations under the merger agreement and compliance with the covenants in the merger agreement.

Securityholders' Agreement

Pursuant to the contribution and voting agreement described below, we and each member of the buying group have agreed to enter into a securityholders' agreement upon the closing of the merger. CB Richard Ellis Services and DLJ Investment Funding, Inc. and other purchasers of our senior notes that hold shares of our Class A common stock will also be parties to the securityholders' agreement.

Limitations on Transfer

Each stockholder party to the securityholders' agreement will agree not to sell any shares of our common stock or warrants to acquire our common stock, collectively, the "restricted securities," unless (1) the transfer is pursuant to an effective registration statement under the Securities Act and has been registered under all applicable state securities or "blue sky" laws or (2) the party has furnished us with an acceptable written opinion of counsel stating that no registration is required because of the availability of an exemption from registration under the Securities Act and all applicable state securities or "blue sky" laws.

In addition, pursuant to the securityholders' agreement, DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock and the members of the buying group other than RCBA Strategic and its affiliates will agree that, until the earlier of ten years from the date the securityholders' agreement is signed or the date of an

underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, which period we refer to as the "restricted period," not to sell any restricted securities except:

- to their respective affiliates;

- in the case of an individual who is a party to this agreement, to his or her spouse or direct lineal descendants, including adopted children, or antecedents;

- in the case of an individual who is a party to this agreement, to a charitable remainder trust or trusts, in each case the current beneficiaries of which, or to a corporation or partnership, the stockholders or limited or general partners of which, include only the transferor, the transferor's spouse or the transferor's direct lineal descendants, including adopted children or antecedents;

- in the case of an individual who is a party to this agreement, to the executor, administrator, testamentary trustee, legatee or beneficiary of any deceased transferor holding restricted securities;

- in the case of Freeman Spogli, beginning on April 12, 2003, on a pro rata basis to its partners;

- in the case of a transferee of Freeman Spogli pursuant to the previous bullet point that is a corporation, partnership, limited liability company, trust or other entity, on a pro rata basis without payment of consideration, to its shareholders, partners, members, beneficiaries or other entity owners, as the case may be;

- in the case of Freeman Spogli, The Koll Holding Company and Frederic Malek, beginning three years from the closing date of the merger, after complying with the right of first offer provision described below;

- by DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock, in connection with transfers of our 16% Senior Notes due 2011 to a permitted transferee; and

- transfers made in connection with the tag-along rights and drag-along rights described below.

In order for any of the sales described above to be permitted, each recipient of restricted securities must first execute an assumption agreement whereby it will become a party to the securityholders' agreement and assume and become entitled to specified rights and obligations in the securityholders' agreement as described in the following paragraph.

With respect to any person who acquires any restricted securities from any securityholder in compliance with the terms of the securityholders' agreement, the transferee will become subject to the following provisions of the securityholders' agreement, depending upon the identity of the transferor:

- in the case of any transfer from the BLUM Funds, (A) if the transferee acquires a majority of our common stock beneficially owned by a BLUM Fund, that BLUM Fund may assign to the transferee all of its rights and obligations under the agreement or (B) if the transferee acquires less than a majority of our common stock beneficially owned by that BLUM Fund, the transferee generally will assume and be entitled to all of the rights and obligations of the BLUM Funds described in the section titled "Registration Rights" below;

- in the case of an assignment by a BLUM Fund of its rights pursuant to a right of first offer, as described below, the assignee or assignees generally will assume and be entitled to all of the rights and obligations of the BLUM Funds described in the section titled "Registration Rights" below;

- in the case of any transfer from Freeman Spogli, (A) the transferee will assume all of the rights and obligations of Freeman Spogli, other than the right to designate any member of CBRE Holding's board

of directors, the "Freeman Spogli Consent Rights" described below or the right to have one or more observers at meetings of the board of directors of CBRE Holding and (B) in addition, if the transferee acquires a majority of our common stock beneficially owned by Freeman Spogli at the time of the transfer and following the acquisition the transferee beneficially owns at least 10% of our outstanding common stock, Freeman Spogli may

assign to the person all of its rights and obligations under the agreement; and

- in the case of any transfer from any other party to the securityholders agreement, the new transferee generally will assume and be entitled to all of the rights and obligations of the transferor under this agreement.

Right of First Offer. Beginning three years from the closing date of the merger, each purchaser of the senior notes and each of Freeman Spogli, The Koll Holding Company and Frederic Malek will be able to transfer all or any portion of its or his restricted securities to a qualified purchaser. However, prior to any transfer to a qualified purchaser, the transferring securityholder must first offer to sell all or, with the consent of the transferring securityholder, a portion of these restricted securities to RCBA Strategic or its assignee at the price and upon the other terms indicated to RCBA Strategic by the transferring securityholder. If RCBA Strategic elects not to buy all of the restricted securities on these terms, the transferring securityholder will be able to transfer the shares to a qualified purchaser for a limited period of time at a purchase price equal to or greater than the price offered to RCBA Strategic and on other terms that are no more favorable in any material respect than the terms initially offered to RCBA Strategic.

Under the securityholders' agreement, the term "qualified purchaser" refers to any person to whom a securityholder wishes to transfer its or his restricted securities, as long as this person is approved by RCBA Strategic, which approval will not be unreasonably withheld. If a proposed qualified purchaser is a nationally-recognized private equity sponsor or institutional equity investor, RCBA Strategic may not withhold its consent unless RCBA Strategic's decision results from its direct experience with this person in connection with another actual or proposed transaction.

Co-Sale Right. Prior to the date of an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, if RCBA Strategic and its affiliates propose to transfer a portion of their common stock to any third party, other than in a public offering, each purchaser of the senior notes and related Class A common stock and the members of the buying group generally will have the right under the securityholders' agreement to require the proposed transferee or acquiring person to purchase from it or him the same proportion of its or his shares of common stock as is being purchased from RCBA Strategic and its affiliates at the same price per share and generally upon the same terms and conditions as apply to RCBA Strategic and its affiliates.

Required Sale. If RCBA Strategic and its affiliates agree to transfer to a third party, other than in a public offering, a majority of the shares of our common stock beneficially owned by RCBA Strategic and its affiliates at the time of the transfer, then under the securityholders' agreement each purchaser of the senior notes and related Class A common stock and the members of the buying group may be required to transfer to the third party the same proportion of its or his restricted securities as is being transferred by RCBA Strategic and its affiliates at the same price and generally upon the same terms and conditions as apply to RCBA Strategic and its affiliates.

In addition, if RCBA Strategic approves any merger, consolidation, amalgamation or other business combination involving us or any of our subsidiaries or the sale of all or substantially all of our assets, then each of the members of the buying group will agree to vote all shares of our Class B common stock held by him or it or his or its affiliates to approve the transaction and not to exercise any appraisal or dissenters' rights available to it or him under any rule, regulation, statute, agreement or otherwise.

Participation Rights. Except for the specified exceptions listed below, we will agree under the securityholders' agreement not to issue any of our equity securities to any person unless, prior to the issuance,

we notify each of the members of the buying group and grant to it or one of its affiliates the right to subscribe for and purchase a pro rata share of the equity securities being issued at the same price and upon the same terms and conditions as apply to all other subscribers. The specified exceptions to the participation rights include issuances of equity securities under the following circumstances:

- upon the exchange, exercise or conversion of other equity securities;

- in connection with any stock split, stock dividend or recapitalization of us, as long as it is fully proportionate for each class of affected equity securities and entails equal treatment for all shares or units of

the affected class;

- pursuant to the acquisition by us or our subsidiaries of another person or a material portion of its assets, by merger, purchase of assets or otherwise;

- to employees, officers, directors or independent contractors of us or our subsidiaries;

- in connection with a public offering; or

- to customers, venders, lenders, and other non-equity financing sources, lessors of equipment and other providers of goods or services to us or our subsidiaries.

Market "Stand-Off." Pursuant to the securityholders' agreement, in connection with an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, if all of the securityholders that are parties to the securityholders' agreement that hold at least 2% of the outstanding shares of our common stock agree to the same restrictions, each of the securityholders that is a party to the securityholders' agreement are not permitted to sell, transfer or engage in a similar transaction with respect to any of our securities for a period specified by the representative of the underwriters, which period may not exceed 180 days after the registration statement regarding the offering is declared effective.

Registration Rights

Demand Registration Rights. Subject to the terms and conditions described in the securityholder's agreement, if we receive a written demand from the holders of at least 25% of the then outstanding shares of our common stock held by the BLUM Funds and their transferees, the holders of at least 25% of the then outstanding shares of our common stock held by Freeman Spogli and its transferees or the holders of at least 25% of the then outstanding shares of our common stock held by DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock and their transferees, then we will agree to use our best efforts to effect, as soon as practicable, the registration under the Securities Act of all our common stock requested to be registered in accordance with the terms of the securityholders agreement together with any of our other securities entitled to be included under the registration.

However, we will not be required to effect a demand registration under the securityholders' agreement:

- prior to 180 days after the effective date of a registration statement pertaining to an underwritten initial public offering in which shares become listed on a national securities exchange or the Nasdaq National Market;

- requested by the BLUM Funds and their transferees after we have effected six demand registrations requested by the BLUM Funds and their transferees and each of these registrations has been declared or ordered effective;

- requested by Freeman Spogli and its transferees after we have effected three registrations requested by Freeman Spogli and its transferees and each of these registrations has been declared or ordered effective;

- requested by DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock and their transferees after we have effected one registration requested by

DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock and their transferees and this registration has been declared or ordered effective;

- if the anticipated aggregate gross proceeds to be received by the parties requesting the registration are less than $2,000,000;

- if we notify in good faith the parties requesting the registration that we intend to make another public offering within ninety days of the demand request; or

- if we furnish to the parties requesting the registration a certificate signed by the chairman of our board of directors stating that in the good faith judgment of our board of directors, it would be seriously detrimental to us for the registration to be effected at the time, in

which event we will have the right to defer the filing for ninety days, although we will not be able to defer filings in this fashion more than an aggregate of ninety days in any twelve month period.

In any underwritten offering under a demand registration, if the managing underwriter advises us that marketing factors require a limitation of the number of shares to be underwritten because it likely to have an adverse effect on the price, timing or the distribution of the shares to be offered, then the number of shares that may be included in the underwriting will be allocated first among the parties who demanded the registration on a pro rata basis and second to the extent all registrable shares requested to be included in the underwriting by the parties who demanded the registration have been included, among the remaining securityholders requesting inclusion of registrable shares in the underwritten offering on a pro rata basis.

Piggyback Registrations Rights. In the securityholders' agreement, each securityholder party to the agreement and its transferees will be entitled to request that we include all or a portion of his or its shares in any registration statement for purposes of a public offering of our securities, but excluding the following types of offerings:

- registration statements relating to employee benefit plans or with respect to corporate reorganizations or other transactions under Rule 145; and

- any registration statement pertaining to an underwritten initial public offering in which shares become listed on a national securities exchange or the Nasdaq National Market.

In an underwritten offering in which one or more securityholder parties to the agreement exercise their piggyback registration rights, if the managing underwriter advises us that marketing factors require a limitation of the number of shares to be underwritten because it likely to have an adverse effect on the price, timing or the distribution of the shares to be offered, then the number of shares that may be included in the underwriting will be allocated first to us and second to the securityholders on a pro rata basis. However, no reduction will be allowed to reduce the securities being offered by us for our own account to be included in the registration and underwriting or reduce the amount of securities of the selling securityholders included in the registration below 25% of the total amount of securities included in the registration, unless the offering does not include shares of any other selling securityholders, in which event any or all of the registrable shares may be excluded in accordance with the immediately preceding sentence.

Expenses of Registration. All registration expenses incurred in connection with a registered offering pursuant to either demand or piggyback registration rights generally will be borne by us, except for underwriting discounts, selling commissions and transfer taxes, which will be borne by the holders of the securities being registered on a pro rata basis.

Indemnification. In connection with a registered offering pursuant to either demand or piggyback registration rights, we will agree to indemnify and hold harmless each of the securityholders that is party to the securityholders' agreement and participates in the offering against any losses, claims, damages, liabilities or expenses to which it or he may become subject under the Securities Act of 1933, the Securities Exchange Act of 1934 or other federal or state law for any untrue statements, material omissions or other violations we make in connection with any registered offering.

Expiration. Each party's demand and piggyback registration rights pursuant to the securityholders' agreement will expire if all of the following are satisfied:

- we have completed an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market and subject to the provisions of the Securities Exchange Act of 1934;

- the party, together with its affiliates, partners and former partners holds less than 2% of our outstanding common stock; and

- all our common stock held by the party, and its affiliates, partners and former partners may be sold under Rule 144 of the Securities Act of 1933 during any ninety day period.

Governance

Composition of Board of Directors and Committees. Pursuant to the terms of the securityholders' agreement, prior to an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, each member of the buying group will agree to vote all of his or its beneficially owned shares of our Class B common stock to elect the following representatives to our board of directors:

- between three and six directors designated by RCBA Strategic, with the actual number to be determined by RCBA Strategic in its discretion;

- one director designated by Blum Strategic Partners II;

- one director designated by Freeman Spogli;

- Raymond Wirta, for so long as he is employed by us or, if he is no longer employed by us, our chief executive officer at that time;

- Brett White, for so long as he is employed by us or, if he is no longer employed by us, our Chairman of the Americas at that time, but RCBA Strategic may elect to reduce the size of the board of directors by one director if he is no longer our Chairman of the Americas; and

- one director who is a real estate brokerage employee of ours, who will be elected immediately after the closing of the merger and will remain a director for so long as a majority of the board of directors agree.

Each of the designation rights described above is subject to the following limitations:

- the director designation rights of RCBA Strategic will be reduced to two designees, or one designee if there is not a real estate brokerage employee serving as a member of the board, if the BLUM Funds and their affiliates beneficially own common stock representing less than 22.5% of our outstanding common stock, to one designee if there is not a real estate brokerage employee serving as a member of the board, if the BLUM Funds and their affiliates beneficially own common stock representing less than 15% of our outstanding common stock and to no designee if the BLUM Funds and their affiliates beneficially own common stock representing less than 7.5% of our outstanding common stock;

- the director designation rights of Blum Strategic will be reduced to zero if RCBA Strategic is entitled to designate only one or zero directors; and

- the director designation right of Freeman Spogli will reduce to zero if Freeman Spogli and its affiliates, collectively, beneficially own common stock representing less than 7.5% of our outstanding common stock.

Also, prior to an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, each committee of our board of directors will include at least one director or observer designated by RCBA Strategic and one director or observer designated by Freeman Spogli.

Following an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market:

- RCBA Strategic will be entitled to nominate a percentage of the total number of directors on our board of directors that is equivalent to the percentage of our outstanding common stock beneficially owned by the BLUM Funds and their affiliates; and

- Freeman Spogli will be entitled to nominate one director to our board of directors as long as they own in the aggregate at least 7.5% of our outstanding common stock.

In connection with each of our annual or special meetings of stockholders at which our directors are to be elected, we will (1) nominate and recommend to stockholders the individuals nominated in the bullet points above for election or re-election as part of the management slate of directors and (2) provide the same type of support for the election of these individuals as directors as we provide to other persons standing for election as our directors as part of the management slate. In addition, each member of the buying group has agreed that he or it will vote all shares of common stock owned by him or it in favor of the election or re-election of these individuals.

Also pursuant to the securityholders' agreement, the board of directors of CB Richard Ellis Services will at all times following the merger consist of the same persons as the board of directors of CBRE Holding.

Board Observers. Prior to an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, Freeman Spogli will be entitled to have two non-voting observers, in addition to the director designated above, at all meetings of our board of directors for so long as Freeman Spogli owns at least 7.5% of our outstanding common stock. Similarly, prior to an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, as long as is necessary for DLJ Investment Funding, Inc. to remain qualified as a "venture capital operating company" under applicable federal regulations, DLJ Investment Funding, Inc. or its affiliates will be entitled to one non-voting observer at all meetings of our board of directors for so long as they own at least 1.0% of our outstanding common stock in the aggregate or a majority in principal amount of the senior notes.

Advisors. At the reasonable request of our board of directors or our management, Frederic Malek and/or Donald Koll will provide advice with respect to our industry, business and operations and our board of directors or our management, as applicable, will consider this advice in good faith. In connection with providing this requested advice, we will reimburse Frederic Malek and Donald Koll for any reasonable out-of-pocket expenses that they incur.

Voting of Capital Stock. Prior to an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, each member of the buying group other than the BLUM Funds agrees to vote at any stockholders meeting or in any written consent all of the shares of our voting capital stock owned or held of record by it, in same the manner as RCBA Strategic votes the shares of our voting capital stock beneficially owned by it, except with respect to the following actions by us or any of our subsidiaries:

- any transaction between the BLUM Funds or their affiliates and us or any of our subsidiaries, other than a transaction (1) with another portfolio company of the BLUM Funds that has been negotiated on arms-length terms in the ordinary course of business between the managements of us or any of our subsidiaries and the portfolio company, (2) with respect to which the securityholders may exercise their participation rights under the securityholders' agreement or (3) specifically contemplated by the merger agreement; or

- any amendment to our certificate of incorporation or bylaws that adversely affects the securityholder relative to the BLUM Funds, other than generally (a) an increase in our authorized capital stock or (b) amendments made in connection with any reorganization of us effected to facilitate (1) an initial public offering or (2) the acquisition of us by merger or consolidation.

For so long as the paragraph immediately above applies, each member of the buying group other than the BLUM Funds will grant to RCBA Strategic an irrevocable proxy, coupled with an interest, to vote all of the shares of our voting capital stock owned by the grantor of the proxy.

General Consent Rights. Prior to an underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, under the securityholders' agreement, neither we nor any of our subsidiaries will be allowed to take any of the following actions without the prior affirmative vote or written consent of (1) a majority of our directors and (2) a majority of our directors that are not designated by RCBA Strategic or Blum Strategic Partners II:

- any of the transactions described in the two bullet points in the section above titled "Voting of Capital Stock" above; or

- the repurchase or redemption of, the declaration or payment of a dividend with respect to, or the making of a distribution upon, any shares of our capital stock beneficially owned by the BLUM Funds or their affiliates unless (a) the repurchase, redemption, dividend or distribution is made pro rata among all holders of that class of capital stock, or in the case of a repurchase or redemption, each of the securityholder parties other than the BLUM Funds and their affiliates are given a proportionate right to participate in the repurchase or redemption, to the extent they own shares of that class of capital stock or (b) if the capital stock is not our common stock, the repurchase, redemption or dividend is required by the terms of that capital stock.

Consent Rights of the Director Designated by Freeman Spogli. Prior to an

underwritten initial public offering in which our shares become listed on a national securities exchange or the Nasdaq National Market, for so long as Freeman Spogli will be entitled to designate a member of our board of directors, neither we nor any of our subsidiaries will be able to take any of the following actions without the prior affirmative vote or written consent of (1) a majority of our directors and (2) the director designated by Freeman Spogli:

- the acquisition of any business or assets for a purchase price in excess of $75.0 million, except for (1) the acquisition of any business or asset by an investment fund that is controlled by us or any of our subsidiaries in connection with the ordinary course conduct of our investment advisory and management business or that of any of our subsidiaries or (2) acquisitions in connection with the origination of mortgages by us or any of our subsidiaries;

- the sale or other disposition of assets of our subsidiaries for aggregate consideration having a fair market value in excess of $75.0 million, other than (1) the sale of other disposition of any business or asset by an investment fund that is controlled by us or any of our subsidiaries in connection with the ordinary course conduct of our investment advisory and management business of us or any of our subsidiaries or (2) sales or dispositions in connection with the origination of mortgages by us or any of our subsidiaries;

- incur indebtedness, unless the indebtedness would (1) be permitted pursuant to the terms of the documents governing the indebtedness entered into by us in connection with the closing of the merger as in effect on the closing date of the merger, including any refinancing or replacement of this indebtedness in an equal or lesser aggregate principal amount or (2) immediately following the incurrence, the ratio of (A) the consolidated indebtedness of us and our subsidiaries determined in accordance with United States generally accepted accounting principles applied in a manner consistent with our consolidated financial statements to (B) the twelve-month normalized EBITDA, does not exceed 4.5:1; or

- issue our capital stock, or options, warrants or other securities to acquire capital stock of us, to our employees, directors or independent contractors or any of our subsidiaries if the issuances, in the aggregate, exceed 5% of the total amount of our outstanding capital stock immediately after the closing of the merger agreement on a fully diluted basis, other than (1) issuances to our employees, directors or independent contractors and those of our subsidiaries of up to 25% of our capital stock on a

fully-diluted basis within six months of the closing of the merger and (2) issuances in amounts equal to our capital stock repurchased by us from, or the options, warrants or other securities to acquire capital stock cancelled by us or our subsidiaries or terminated or expired without prior exercise with respect to, persons who, at the time of the repurchase, cancellation, termination or expiration, were current or former employees, directors or independent contractors of us or our subsidiaries.

Other Provisions

Information and Inspection. Pursuant to the securityholders' agreement, we will provide specified types of annual, quarterly and monthly financial statements to the BLUM Funds, Freeman Spogli, DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock so long as they own 1% of our outstanding common stock in the aggregate, Frederic Malek, The Koll Holding Company and any other securityholder who is a party to the securityholders' agreement and owns greater than 10% of our total outstanding common stock. In addition, we will grant to these same securityholders the right to inspect our books and records. These information and inspection rights will be subject to a confidentiality provision contained in the securityholders' agreement.

Other Indemnification. We will indemnify and hold harmless (a) each of the securityholder parties to the securityholders' agreement and each of their respective affiliates and any person who controls them, (b) each of the directors, officers, employees and agents of the persons indicated in clause (a) and (c) each of the heirs, executors, successors and assigns of the persons indicated in clause (a) from all damages, claims, losses, expenses, costs, obligations and liabilities, including reasonable attorneys' fees and expenses but excluding any special or consequential damages against the indemnified party, suffered or incurred by the indemnified persons listed above to the extent arising from (1) the business, operations, liabilities or obligations of us or our subsidiaries or (2) the indemnified person's ownership of our common stock.

Additional Securities Subject to the Agreement. Except for securities acquired by Raymond Wirta or Brett White in connection with the anticipated

securities offerings being made by this prospectus, each securityholder has agreed that any other of our equity securities which he or it later acquire by means of a stock split, stock dividend, distribution, exercise or conversion of securities or otherwise will be subject to the provisions of the securityholders' agreement to the same extent as if held on the closing date of the merger.

Termination

The securityholders' agreement will terminate with respect to the provisions referred to below as follows:

- with respect to each of the provisions summarized in the sections titled "Governance" and "Other Provisions--Information and Inspection" above other than the fourth and fifth paragraphs in the section titled "Governance--Composition of Board of Directors and Committees," upon completion of an underwritten initial public offering in which shares become listed on a national securities exchange or the Nasdaq National Market;

- with respect to the provisions summarized in the section titled "Limitations on Transfer" above, upon the expiration of the restricted period;

- with respect to the provisions summarized in the section titled "Registration Rights" above other than the section titled "Registration Rights--Indemnification" in the manner set forth in the section titled "Registration Rights--Expiration;"

- with respect to the provisions summarized in the sections titled "Registration Rights--Indemnification" and "Other Provisions--Other Indemnification" upon the expiration of the applicable statutes of limitations; and

- with respect to all provisions contained within the securityholders' agreement other than those described in the immediately preceding bullet point, upon (1) the sale of all or substantially all of the equity

interests in us to a third party whether by merger, consolidation or securities or otherwise or (2) the approval in writing by the BLUM Funds, Freeman Spogli and a majority of the shares of our common stock owned by the other securityholder parties to the agreement.

Contribution and Voting Agreement

Contributions. Pursuant to the contribution and voting agreement, immediately prior to the merger, each of the members of the buying group will contribute all of his or its shares of CB Richard Ellis Services' common stock to us. Each of these shares contributed to us will be cancelled as a result of the merger, and we will not receive any consideration for these shares of CB Richard Ellis Services common stock. We will issue one share of our Class B common stock in exchange for each share of CB Richard Ellis Services common stock contributed to us. This will result in the issuance to the buying group of an aggregate of 8,052,087 shares of our Class B common stock in exchange for these contributions.

Also pursuant to the contribution and voting agreement, the BLUM Funds have agreed to purchase for cash immediately prior to the merger a minimum of 2,553,879 shares of common stock at $16.00 per share. In addition the BLUM Funds have agreed to purchase for cash an additional number of shares of our Class B common stock for $16.00 per share equal to (1) 3,236,639 shares minus (2) the number of shares of our Class A common stock and stock fund units subscribed for in the offerings made by this prospectus plus (3) the aggregate amount of full-recourse notes delivered by designated managers in the offerings divided by $16.00 per share. The number of shares purchased by the BLUM Funds will be reduced by 241,885 shares, which is the sum of the 10 shares of CBRE Holding Class B common stock initially owned by RCBA Strategic and the 241,875 shares of CBRE Holding Class B common stock purchased by RCBA Strategic for $16.00 per share in connection with the closing of the sale of 11 1/4% senior subordinated notes by BLUM CB Corp. After the offerings are completed, depending on the amount to which the offerings are subscribed, the shares of our and Class B common stock owned by the buying group will be equal to between approximately 80% and 96% of our outstanding Class A and Class B common stock, taken together. Only members of the buying group will have an opportunity to acquire shares of our Class B common stock.

The shares of Class B common stock to be purchased for cash by the BLUM Funds under the contribution and voting agreement will be allocated between the two BLUM Funds in the following manner:

- the first 1,422,014 shares will be purchased by RCBA Strategic;

- the next 2,500,000 shares will be purchased by Blum Strategic Partners II; and

- any additional shares to be purchased will be allocated equally between RCBA Strategic and Blum Strategic Partners II, subject to Blum Strategic Partners II not purchasing more than 3,125,00 shares in the aggregate.

Warrants. The contribution and voting agreement also provides that upon consummation of the merger, the warrants to acquire 364,884 shares of CB Richard Ellis Services common stock owned by Freeman Spogli will be cancelled and we will issue new warrants to them to purchase up to an aggregate number of shares of our Class B common stock equal to the number that represents the same percentage of the total outstanding shares of our common stock immediately after consummation of the merger as the warrants to acquire 364,884 shares of CB Richard Ellis Services common stock entitled Freeman Spogli to acquire immediately prior to the consummation of the merger. The new warrants to acquire our Class B common stock will expire on August 27, 2007. The terms of these new warrants are set forth in a form of warrant agreement that is filed as an exhibit to the registration statement of which this prospectus forms a part.

The contribution and voting agreement further provides that, upon the closing of the merger, the warrants to acquire 84,988 shares of CB Richard Ellis Services common stock beneficially owned by Ray Wirta and/or Donald Koll will be converted into the right to receive $1.00 per share underlying these warrants and will no longer represent the right to receive any securities of, or other consideration from, CB Richard Ellis Services or us.

USE OF PROCEEDS

We estimate that our net cash proceeds from the offerings will be approximately $33.7 million based on the offering price of $16.00 per share and after deducting estimated offering expenses.

The proceeds of the offering of shares for direct ownership, the issuance of senior notes and related Class A common stock by CBRE Holding, and the cash contribution from the BLUM Funds, together with the initial borrowings under the new senior secured credit facilities of CB Richard Ellis Services and the proceeds from the 11 1/4% senior subordinated notes of BLUM CB Corp., will be used primarily to pay CB Richard Ellis Services' stockholders, other than the members of the buying group, $16.00 per share in the merger, repay substantially all of CB Richard Ellis Services' existing indebtedness and pay fees and expenses associated with the merger transactions.

We have summarized below the estimated sources and uses of funds and contributions for the merger transactions and the offerings. Except as noted, the estimated sources and uses below assume consummation of the merger transactions and the offerings as of March 31, 2001.

<TABLE>
<CAPTION>

	Amount (in millions)
<S>	<C>
Sources of Funds and Contributions:	
Cash on hand before the merger transactions and the offerings...	$ 20.3
11 1/4% senior subordinated notes due 2011 (/1/).....	225.6
Revolving credit facility (/2/).....	35.0
Term loan A facility (/3/).....	50.0
Term loan B facility (/3/).....	175.0
16% senior notes due 2011 and related Class A common stock.....	65.0
Equity contribution (/4/)(/5/).....	228.7
Total sources.....	$799.6

<CAPTION>

	Amount (in millions)
<S>	<C>
Uses of Funds and Contributions:	
Payment of cash merger consideration and rollover of equity (/5/)(/6/).....	$342.4
Repay existing revolving credit facility and other short-term borrowings (/7/).....	226.4
Repurchase outstanding 8 7/8% senior subordinated notes due 2006	

(/3/)	175.0
Transaction costs (/8/)	51.6
Stock loans (/9/)	2.7
Cash on hand after closing	1.5
Total uses	$799.6

</TABLE>

- --------

(1) $229 million in aggregate principal amount of 11 1/4% senior subordinated notes due 2011 were issued and sold by BLUM CB Corp. on June 7, 2001 for $225.6 million in the aggregate. The proceeds from the offering were deposited in an escrow account and will be released to CB Richard Ellis Services in connection with the completion of the merger. CB Richard Ellis Services will assume the 11 1/4% senior subordinated notes if the merger is completed.

(2) The revolving credit facility has a total capacity of $100.0 million.

(3) To the extent all of CB Richard Ellis Services' existing 8 7/8% senior subordinated notes are not tendered, the amount it must pay to repurchase those notes will be reduced and the gross proceeds from the term loan facilities will be reduced by a corresponding amount.

(4) Includes the following: (a) $35.8 million in proceeds (including the irrevocable assignment of the right to receive cash proceeds) from the issuance of our Class A common stock and $29.5 million in stock fund

units in the CB Richard Ellis Services' deferred compensation plan contributed to us by employees; (b) $40.9 million in proceeds from the issuance of our Class B common stock to the BLUM Funds; and (c) $122.5 million of CB Richard Ellis Services equity contributed by the buying group to us. To the extent that the offerings of equity to CB Richard Ellis Services employees are not fully subscribed or such shares are purchased with full-recourse notes, the BLUM Funds will purchase an equal number of additional shares of our Class B common stock.

(5) Includes 2,345,900 shares of CB Richard Ellis Services common stock that are being contributed to us by RCBA Strategic that have been valued at RCBA Strategic's historical equity basis of $12.87 per share rather than at the merger transaction value of $16.00 per share.

(6) Includes the following: (a) $190.4 million in cash merger consideration payable to CB Richard Ellis Services' stockholders other than the buying group; (b) $29.5 million of stock fund units in the CB Richard Ellis Services' deferred compensation plan that will either be switched into other investment alternatives under the deferred compensation plan or rolled-over into our stock fund units in conjunction with the merger; and (c) $122.5 million of CB Richard Ellis Services common stock and warrants to be contributed by the buying group to us.

(7) The amount of loans outstanding under CB Richard Ellis Services' existing revolving credit facility was approximately $218 million as of March 31, 2001 and $225 million as of July 3, 2001.

(8) Includes fees and expenses in connection with the merger and related transactions, including these offerings.

(9) Consists of an aggregate of $2.7 million of loans to be made to Ray Wirta and Donald Koll to replace their existing margin loans.

DIVIDEND POLICY

Neither CB Richard Ellis Services nor we have declared or paid dividends on its or our common stock. We presently anticipate that we will retain all of our future earnings to finance the development and expansion of our business and provide working capital. Therefore, we do not anticipate paying any cash dividends on our Class A common stock or Class B common stock. The terms of our senior notes, CB Richard Ellis Services' new credit agreement and the 11 1/4% senior subordinated notes of BLUM CB Corp. which will be assumed by CB Richard Ellis Services and guaranteed by us will restrict our ability to pay dividends. See "Description of Indebtedness--16% Senior Notes Due 2011," "--CB Richard Ellis Services Senior Secured Credit Facilities" and "--BLUM CB Corp.'s 11 1/4% Senior Subordinated Notes Due 2011."

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2001:

- on an actual basis for CB Richard Ellis Services;
- on a pro forma basis for CBRE Holding to reflect the completion of the merger transactions and the purchase by the BLUM Funds of a number of shares of Class B common stock equal to the number of shares of Class A common stock being offered by this prospectus; and
- on a pro forma as adjusted basis to give effect to the offerings being made by this prospectus and the application of the estimated net proceeds from the offerings.

<TABLE>
<CAPTION>

	As of March 31, 2001		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share data)		
<S>	<C>	<C>	<C>
Cash and cash equivalents	$ 20,339	$ 1,485	$ 1,485
Current maturities of long-term debt	9,579	45,411	45,411
Long-term debt, excluding current portion	409,653	516,289	516,289
Stockholders' equity:			
Preferred stock, $0.01 par value; 8,000,000 shares authorized, no shares issued or outstanding, actual, no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	--	--	--
Common stock of CB Richard Ellis Services, $0.01 par value; 100,000,000 shares authorized, 20,636,051 shares issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted	217	--	--
Class A common stock of CBRE Holding, $0.01 par value; shares authorized; no shares issued and outstanding, actual; 521,847 shares issued and outstanding, pro forma; 2,599,648 shares issued and outstanding, pro forma as adjusted	--	5	27
Class B common stock of CBRE Holding, $0.01 par value; shares authorized; no shares issued and outstanding, actual, 13,842,605 shares issued and outstanding, pro forma; 10,605,966 shares issued and outstanding, pro forma as adjusted	--	138	107
Additional paid-in capital	365,420	236,880	236,889
Notes receivable from sale of stock	(11,661)	--	--
Accumulated deficit	(91,943)	--	--
Accumulated other comprehensive loss	(21,897)	--	--
Treasury stock, at cost	(15,844)	--	--
Total stockholders' equity	224,292	237,023	237,023
Total capitalization	$643,524	$798,723	$798,723

</TABLE>

The "actual" column in the table above excludes the following shares:

- 2,730,639 shares of CB Richard Ellis Services common stock issuable upon the exercise of option granted under various stock option plans of CB Richard Ellis Services and its subsidiaries;
- 51,427 shares of CB Richard Ellis Services common stock reserved for future issuance upon the exercise of options available for future grant under various stock option plans of CB Richard Ellis Services and its subsidiaries;
- 1,806,326 shares of CB Richard Ellis Services common stock committed for future issuance under the CB Richard Ellis Services deferred compensation

plan; and

- 598,147 shares of CB Richard Ellis Services common stock issuable upon the exercise of outstanding warrants to acquire CB Richard Ellis Services common stock at an exercise price of $30.00 per share.

The "pro forma" column in the table above excludes the following shares:

- 910,199 shares of CBRE Holding Class A common stock issuable upon the exercise of options to be allocated to employees by our board of directors after the merger at an exercise price of $50.00 per share;

- 182,040 shares of CBRE Holding Class A common stock reserved for future issuance upon the exercise of options available for future grant under CBRE Holding's 2001 Stock Incentive Plan; and

- 264,027 shares of CBRE Holding Class B common stock issuable upon the exercise of warrants to acquire CBRE Holding Class B common stock at an exercise price of $30.00 per share.

The "pro forma as adjusted" column in the table above assumes full subscription to the offerings and excludes the following shares:

- 1,820,397 shares of CBRE Holding Class A common stock issuable upon the exercise of options to be granted in this offering at an exercise price of $16.00 per share;

- 910,199 shares of CBRE Holding Class A common stock issuable upon the exercise of options to be allocated to employees by our board of directors after the merger at an exercise price of $50.00 per share;

- 182,040 shares of CBRE Holding Class A common stock reserved for future issuance upon the exercise of options available for future grant under CBRE Holding's 2001 Stock Incentive Plan;

- 2,003,733 shares of CBRE Holding Class A common stock underlying stock fund units in the CB Richard Ellis Services' deferred compensation plan; and

- 264,027 shares of CBRE Holding Class B common stock issuable upon the exercise of warrants to acquire CBRE Holding Class B common stock at an exercise price of $30.00 per share.

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following unaudited pro forma combined balance sheet and the unaudited pro forma combined statements of operations are based on the historical consolidated financial statements of us and CB Richard Ellis Services, included elsewhere in this prospectus, as adjusted to give effect to the merger transactions as if they had occurred as of March 31, 2001 in the unaudited pro forma combined balance sheet and as of January 1, 2000 in the unaudited pro forma combined statements of operations for the quarter ended March 31, 2001 and the year ended December 31, 2000.

The pro forma adjustments are based upon currently available information and upon assumptions that our management believes are reasonable. Prior to the merger transactions, RCBA Strategic Partners, L.P. directly owned 2,345,900 shares of outstanding common stock of CB Richard Ellis Services, which represented approximately 11% of the outstanding common stock prior to the merger. A series of investment partnerships (the Investment Funds), which are related to the general partner of RCBA Strategic, owned 1,077,986 shares of outstanding common stock of CB Richard Ellis Services, which represented approximately 5% of the outstanding common stock prior to the merger. Neither RCBA Strategic nor its general partner controls the Investment Funds. Additionally, other members of the "buying group" owned 4,628,201 shares of outstanding common stock of CB Richard Ellis Services, which represented approximately 23% of the outstanding common stock prior to the merger. Therefore the total combined ownership of the other members of the buying group, including the Investment Funds whose shares will be acquired by CBRE Holding and RCBA was 8,052,087 shares of outstanding common stock of CB Richard Ellis Services, or approximately 39% of the outstanding common stock prior to the merger. Therefore, neither RCBA Strategic, the Investment Funds nor any member of the buying group or any combination thereof controlled CB Richard Ellis Services prior to the merger.

Prior to the merger, RCBA Strategic controlled CBRE Holding through its ownership of 100% of all issued and outstanding common stock of CBRE Holding. In conjunction with the merger, Blum Strategic Partners II, L.P. will acquire a portion of the outstanding common stock of CBRE Holding. Blum Strategic Partners II is related to RCBA Strategic's general partner. Neither RCBA Strategic nor its general partner will control Blum Strategic Partners II. RCBA Strategic will control CBRE Holding upon completion of the merger. Subsequent to the merger, RCBA Strategic will have the right to:

- Appoint a majority of the board of directors of CBRE Holding.

- Control approximately 87% of the voting power of CBRE Holding indirectly through the security holders agreement to be entered into with the other members of the buying group. The other members of the buying group other than Blum Strategic Partners II must vote in a manner that is consistent with how RCBA Strategic will vote on all matters that are subject to a vote by the stockholders of CBRE Holding, subject to limited exceptions.

Other members of the buying group have certain rights defined in the securityholders' agreement. Management believes that these rights are consistent with the protective rights defined in EITF 96-16 and do not overcome the presumption of RCBA Strategic's control over CBRE Holding.

After the merger, CB Richard Ellis Services will become a wholly owned subsidiary of CBRE Holding. The 2,345,900 shares of outstanding common stock of CB Richard Ellis Services owned by RCBA Strategic prior to the merger and contributed to CBRE Holding have been carried over at RCBA Strategic's book value. The basis of accounting for the shares of CB Richard Ellis Services common stock acquired by CBRE Holding that were not owned by RCBA Strategic prior to the transactions have been accounted for as a purchase transaction by CBRE Holding at fair value of $16.00 per share. As such, the transactions have been accounted for as a step acquisition in accordance with Accounting Principles Bulletin 16--"Accounting for Business Combinations." The acquisition of unvested stock fund units in the CB Richard Ellis Services deferred compensation plan have been accounted for in accordance with FASB Interpretation Number 44 as discussed in note (m) to the accompanying unaudited pro forma combined balance sheet. Management believes the fair

value of the acquired common stock and stock fund units is consistent with the proposed merger consideration of $16.00 per share. The adjustments included in the unaudited pro forma financial statements represent the effects of our preliminary determination and allocation of the purchase price to the fair value of the assets and liabilities acquired, based upon currently available information. We cannot assure you that the actual effects will not differ significantly from the pro forma adjustments reflected in these unaudited pro forma financial statements.

The unaudited pro forma financial statements are not necessarily indicative of either future results of operations or results that might have been achieved if the transactions had been consummated as of the dates indicated. The unaudited pro forma financial statements should be read in conjunction with the historical consolidated financial statements and related notes of us and CB Richard Ellis Services, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

CBRE Holding, Inc. and Subsidiaries
Unaudited Pro Forma Combined Balance Sheet
As of March 31, 2001
(in thousands, except share data)

<TABLE>
<CAPTION>

	As of March 31, 2001			
	CB Richard Ellis Services	CBRE Holding, Inc. (a)	Pro Forma Adjustments	Pro Forma Combined
			(Unaudited)	(Unaudited)
ASSETS				
<S>	<C>	<C>	<C>	<C>
Current assets:				
Total cash and cash				

equivalents.....	$ 20,339	$ --	$ 76,706	(b)	$ 1,485
			(2,700)	(c)	
			(190,421)	(d)	
			225,000	(e)	
			225,629	(f)	
			35,000	(g)	
			65,000	(h)	
			(17,150)	(i)	
			(401,418)	(j)	
			(14,000)	(k)	
Receivables, less allowance for doubtful accounts of $11,959.....	141,792		(20,500)	(l)	141,792
Prepaid expenses.....	9,819				9,819
Deferred taxes, net...	13,105				13,105
Other current assets..	8,716		1,972	(m)	10,688
Total current assets.....	193,771		(16,882)		176,889
Property and equipment, net.....	75,048		(4,473)	(n)	70,575
Goodwill, net.....	415,299		122,507	(o)	
			21,571	(m)	
			195,050	(d)	
			1,604	(j)	
			14,000	(k)	
			20,500	(l)	
			26,460	(n)	
			(224,292)	(p)	
			(18,342)	(q)	574,357
Other intangible assets, net.....	44,169		17,150	(i)	
			(1,777)	(n)	59,542
Cash surrender value of insurance policies, deferred compensation plan.....	61,267				61,267 (r)(t/3/)
Investment in and advances to unconsolidated subsidiaries.....	38,187		(1,005)	(n)	37,182
Deferred taxes, net.....	35,316		10,097	(q)	45,413
Prepaid pension costs...	24,126		6,050	(n)	30,176
Other assets.....	44,113		2,700	(c)	
			(4,629)	(d)	
			5,917	(m)	
			(17,955)	(n)	30,146
Total assets.....	$931,296	$ --	$ 154,251		$1,085,547

</TABLE>

CBRE Holding, Inc. and Subsidiaries
Unaudited Pro Forma Combined Balance Sheet
As of March 31, 2001
(in thousands, except share data)

<TABLE>
<CAPTION>

	As of March 31, 2001			
	CB Richard Ellis Services	CBRE Holding, Inc.(a)	Pro Forma Adjustments	Pro Forma Combined
			(Unaudited)	(Unaudited)
LIABILITIES AND STOCKHOLDERS' EQUITY				
<S>	<C>	<C>	<C>	<C>
Current liabilities:				
Accounts payable and accrued expenses.....	$ 77,803	$ --	$	$ 77,803
Compensation and employee benefits.....	63,790			63,790
Accrued bonus and profit sharing.....	20,807			20,807
Income taxes payable...	14,696		(8,245) (q)	6,451
Short-term				

borrowings.....	8,418		(8,418)	(j)	--
			35,000	(g)	35,000
Current maturities of long-term debt (u)....	1,161		9,250	(e)	10,411
Total current liabilities.....	186,675		27,587		214,262
Long-Term debt:					
8 7/8% senior subordinated notes, net of unamortized discount of $1,604 as of March 31, 2001.....	173,396		(173,396)	(j)	--
Revolving credit facility (r).....	218,000		(218,000)	(j)	--
11 1/4% senior subordinated notes, net of a pro forma unamortized discount of $3,371 as of March 31, 2001.....			225,629	(f)	225,629
Senior secured term loans, net of a pro forma unamortized discount of $8,350 as of March 31, 2001.....			215,750	(e)	215,750
16% senior notes, net of a pro forma unamortized discount of $8,350 as of March 31, 2001.....			65,000	(h)	
			(8,350)	(s)	56,650
Other long-term debt...	18,257				18,257
Total long-term debt (u).....	409,653		106,633		516,286
Deferred compensation liability.....	79,980				79,980 (t/3/)
Other liabilities.....	27,729		7,300	(n)	35,029
Total liabilities....	704,037		141,520		845,557
Minority interest.....	2,967				2,967
Stockholders' equity:					
Preferred stock, $0.01 par value; 8,000,000 shares authorized; no shares issued or outstanding.....	--				--
Common stock, $0.01 par value; 100,000,000 shares authorized; 20,636,051 shares issued and outstanding at March 31, 2001.....	217		(217)	(p)	--
Class A common stock; $0.01 par value; 100,000,000 shares authorized; 2,599,648 pro forma shares issued and outstanding at March 31, 2001.....	--		22	(b)	
			5	(s)	27
Class B common stock; $0.01 par value; 100,000,000 shares authorized; 10,605,966 pro forma shares issued and outstanding at March 31, 2001.....	--		26	(b)	
			81	(o)	107
Additional paid-in capital.....	365,420		76,658	(b)	--
			122,426	(o)	
			29,460	(m)	
			(365,420)	(p)	
			8,345	(s)	236,889
Notes receivable from sale of stock.....	(11,661)		11,661	(p)	--
Accumulated deficit....	(91,943)		91,943	(p)	--

Accumulated other comprehensive loss....	(21,897)		21,897 (p)	--
Treasury stock at cost, 1,072,155 shares at March 31, 2001.....	(15,844)		15,844 (p)	--
Total stockholders' equity.....	224,292		12,731	237,023(t)
Total liabilities and stockholders' equity.....	$931,296	$ --	$ 154,251	$1,085,547

</TABLE>

NOTES TO UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF MARCH 31, 2001

(a) CBRE Holding has total cash and equity of $160.00 as of the pro forma combined balance sheet date of March 31, 2001. Since the amounts in the pro forma combined financial statements are presented in thousands, no amounts have been shown for CBRE Holding.

(b) Consists of cash proceeds from the issuance of an aggregate 4,794,180 shares of CBRE Holding common stock and stock fund units to RCBA Strategic, Blum Strategic Partners II, designated managers and non-management employees at $16.00 per share. See note (t) for further detail.

(c) Represents the issuance of loans to Ray Wirta and Donald Koll in accordance with the CBRE Holding voting and contribution agreement. These loans will replace existing margin loans with a third party that are secured by current shares of CB Richard Ellis Services common stock. The loans will be full-recourse, accrue interest at a market rate, compounded annually and payable quarterly, and have a stated maturity of five years. The loans will be replaced by a margin loan with a third party when, if ever, CBRE Holding common stock becomes freely tradable on a national securities exchange or an over-the-counter market.

(d) Reflects the purchase of the outstanding common stock and options to acquire common stock of CB Richard Ellis Services in conjunction with the merger agreement, excluding the contribution of 8,052,087 shares in CB Richard Ellis Services common stock owned by the buying group and 1,841,233 shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan, which are assumed to be contributed to CBRE Holding as non cash transactions reflected in Notes (n) and (o) below. Total shares of CB Richard Ellis Services common stock currently outstanding and shares underlying the stock fund units in the CB Richard Ellis Services deferred compensation plan are 22,139,263 shares, including the shares described in the previous sentence. The entries to record the cash portion of the purchase of CB Richard Ellis Services is comprised of the following:

<TABLE>
<CAPTION>

	Decrease to Cash	Increase to Goodwill	Decrease in Other Assets
		(in thousands)	
<S>	<C>	<C>	<C>
Purchase of 12,245,943 shares of our common stock at $16.00 per share.....	$(195,935)	$195,935	$ --
Purchase of 2,837,969 options to acquire our common stock.....	(5,074)	5,074	--
Repayment of loans secured by our common stock included in other assets (1).....	4,629	--	(4,629)
Repayment of loans secured by our common stock included as a reduction to our historical equity (1).....	5,959	(5,959)	--
	$(190,421)	$195,050	$(4,629)

</TABLE>

(1) Members of management and highly compensated employees purchased shares of common stock of CB Richard Ellis Services under various compensation plans at fair market value on the date of grant. These purchases were made under the terms of the 1996 Equity Incentive Plan, the 1999 Equity

Incentive Plan and certain purchases under the 1990 Stock Option Plan. Payment for a portion of the purchase price of these shares was made by the employee using either a non-recourse loan secured by the underlying common stock issued or a recourse loan secured by the underlying common stock issued and the personal assets of the participating employee. Non recourse loans have been recorded as a reduction to equity, while recourse loans are included other assets in the accompanying unaudited pro forma combined balance sheet. In conjunction with the transactions, employees owning stock through these plans with such secured loans will receive $16.00 per share in merger consideration, less the per share equivalent of any unpaid principal, plus accrued interest thereon, unpaid under such loans as of the date of the merger.

(e) Represents the gross proceeds from our issuance of $225.0 million in senior secured term loans. Current maturities of long-term debt includes $9.3 million in principal payments due on the senior secured term loans.

The $225 million in senior secured term loans will be comprised of two separate facilities. The $50 million Tranche A facility is assumed for purposes of this calculation to bear interest at the 3 Month LIBOR plus 3.25% (6.96% as of June 26, 2001). The $50 million Tranche A facility fully amortized by maturity through quarterly principal payments over 6 years (with an assumed maturity date in June 2007). $7.5 million in total annual principal payments will be due quarterly during the first two years of the loan, and $8.75 million in total annual principal payments will be due quarterly during years 3 through 6 of the loan. The $175 million Tranche B facility is assumed for purposes of this calculation to bear interest at 3 Month LIBOR plus 3.75% (7.46% as of June 26, 2001). The $175 million Tranche B facility requires quarterly payments of principal of approximately $437,500, with the remaining outstanding principal balance of $163.2 million due upon maturity at the end of year 7 (with an assumed maturity date in June 2008).

(f) Represents the proceeds from our issuance of $229.0 million in aggregate principal amount of 11 1/4% senior subordinated notes. The $229 million in aggregate principal amount of senior subordinated notes bear interest at a fixed rate of 11 1/4% and will be due in June 2011. The senior subordinated notes were issued at a $3.4 million discount, which is being amortized over the life of the notes of 10 years to yield level amortization.

(g) Represents the gross proceeds from the draw down on the new $100.0 million revolving credit facility. The $100 million revolving credit facility is assumed for purposes of this calculation to bear interest at 3 month LIBOR plus 3.25% (6.96% as of June 26, 2001) and mature at the end of year 7. Under the terms of the credit agreement, no amounts can be outstanding under the revolving credit facility as of December 31 of each year. Any outstanding principal will be due and payable in June 2008.

(h) Represents the gross proceeds from our issuance of $65.0 million in 16% senior notes and related Class A common stock. The $65 million in senior notes will be due in July 2011 and bear interest at a fixed rate of 16%.

(i) Represents the payment of $17.2 million in fees and commissions in connection with the issuance of the $65.0 million in 16% senior notes by CBRE Holding, the $225.0 million senior secured term loans by CB Richard Ellis Services, the $229.0 million in aggregate principal amount of 11 1/4% senior subordinated notes issued by BLUM CB Corp. and the $100.0 million revolving credit facility by CB Richard Ellis Services. Annual aggregate maturity of total long term debt, excluding the revolving credit facility, at March 31, 2001 on an unaudited pro forma basis is as follows (assuming the merger transactions close in July 2001): 2001-$5.8 million; 2002-$11.8 million; 2003-$10.4 million; 2004-$10.6 million; 2005-$10.4 million; thereafter-$477.6 million.

(j) Represents the repayment of our historical debt outstanding as of March 31, 2001, comprised of $8.4 million in debt included in short-term borrowings, $218.0 million outstanding under our existing revolving credit facility, and $175.0 million outstanding in aggregate principal amount of our existing 8 7/8% senior subordinated notes, net of unamortized debt discount. The payment of the $1.6 million in unamortized debt discount was recorded as an increase in goodwill. For the purposes of this pro forma adjustment, we have assumed that all of our existing 8 7/8% senior subordinated notes will be tendered in connection with the merger and the related transactions.

(k) Represents the payment of $14.0 million of repayment premiums on our

existing $175.0 million 8 7/8% senior subordinated notes, which was recorded as an increase in goodwill. For the purposes of this pro forma adjustment, we have assumed that all of our existing 8 7/8% senior subordinated notes will be tendered in connection with the merger and the related transactions. As of June 8, 2001, a majority of the holders of CB Richard Ellis Services' 8 7/8% senior subordinated notes had tendered their notes.

(l) Represents estimated transaction fees and related costs to be incurred in connection with the acquisition of CB Richard Ellis Services by CBRE Holding, excluding $31.2 million in financing costs included in Notes (i) and (k) above.

(m) Consists of the issuance of 1,841,233 shares underlying CBRE Holding Class A stock fund units in the CB Richard Ellis Services deferred compensation plan in conjunction with the offerings. The shares of CB Richard Ellis Services common stock underlying stock fund units in the deferred compensation

plan include approximately 996,339 stock fund units that are fully vested prior to the merger and 844,895 stock fund units that are unvested prior to the merger. In conjunction with the merger transactions, a change in control will occur in accordance with the terms of the deferred compensation plan for approximately 351,795 unvested stock fund units associated with the 1999 company matching contribution, and these units will become fully vested when the merger is completed. Upon acceleration of vesting resulting from the change in control, CB Richard Ellis Services will take a charge against income immediately prior to the consummation of the transaction related to these 351,795 stock fund units. After the merger, there will remain approximately 493,100 unvested stock fund units in the CB Richard Ellis deferred compensation plan. The unvested stock fund units issued by CBRE Holding in exchange for these remaining unvested stock fund units of CB Richard Ellis Services have been accounted for as a deferred compensation asset included in other current assets and other assets in the accompanying unaudited pro forma combined balance sheet. The deferred compensation asset will be amortized as compensation expense over their remaining vesting period for such stock fund units. Vested stock fund units, including those that vest due to the change in control, have been included in goodwill in the accompanying unaudited pro forma combined balance sheet. The above accounting treatment is in accordance with Financial Interpretation Number 44 "Accounting for Certain Transactions Involving Stock Compensation." CBRE Holding will value all stock fund units at $16.00 per share. See Note (t) for further details.

(n) Represents adjustments to reflect the identifiable assets and liabilities of CB Richard Ellis Services acquired at their estimated current fair value, which resulted in the following adjustments:

<TABLE>
<CAPTION>

	Amount (in thousands)
<S>	<C>
Property and equipment, net	$ (4,473)
Goodwill, net	26,460
Other intangible assets, net	(1,777)
Investment in and advances to unconsolidated subsidiaries	(1,005)
Prepaid pension costs	6,050
Other assets	(17,955)
Other liabilities	(7,300)
	$ --

</TABLE>

The amount of interest carried over for RCBA Strategic was calculated as the original cost basis of 2,345,900 shares of CB Richard Ellis Services owned by RCBA Strategic prior to the merger or approximately $11.54 per share, adjusted for its share of diluted earnings per share of approximately $1.33, from the date RCBA Strategic acquired such shares through March 31, 2001.

Following are the calculations of (1) the purchase price of the acquisition of CB Richard Ellis Services, (2) the allocation of that purchase price to the assets and liabilities of CB Richard Ellis Services, and (3) the calculation of goodwill of CBRE Holding after consummation of the merger.

Calculation of the Purchase Price of CB Richard Ellis Services:

<TABLE>
<CAPTION>

	Shares of CB Richard Ellis Services		
Stockholder:	RCBA Strategic	Other	Total
<S>	<C>	<C>	<C>
Total Shares and Stock Fund Units.....	2,345,900	19,793,363	22,139,263
Value Per Share.....	$ 12.87	$ 16.00	NA
Fair Value.....	$30,191,733	$316,693,808	$346,885,541
Fair Value of 264,027 $30 warrants to acquire common stock of CB Richard Ellis Services at $30 per share valued at $3.85 per warrant at $3.85.....	NA	$ 1,016,504	$ 1,016,504
Purchase of 2,837,969 Options to acquire common stock of CB Richard Ellis Services.....	NA	5,074,000	5,074,000
Total Purchase Price.....	$30,191,733	$322,784,312	$352,976,045

</TABLE>

Allocation of the Purchase Price to the Assets and Liabilities of CB Richard Ellis Services:

<TABLE>
<CAPTION>

	Fair Value (in thousands)
<S>	<C>
Assets:	
Property and Equipment.....	$ 70,575
Other Intangible Assets.....	42,392
Other Assets.....	26,158
Investments In and Advances to Unconsolidated Subsidiaries....	37,182
Non Current Deferred Taxes, net.....	45,413
Prepaid Pension Costs.....	30,176
All Other Assets.....	255,038
Total Assets.....	506,934
Liabilities:	
Income Taxes Payable.....	6,451
Other Long Term Liabilities.....	35,029
All Other Liabilities.....	661,612
Total Liabilities.....	703,092
Minority Interest.....	2,967
Net Liabilities in Excess of Identifiable Assets.....	$(199,125)
Calculation of CBRE Holding Goodwill:	
Total Purchase Price.....	$ 352,976
Plus:	
Fair Value of Liabilities in Excess of Assets.....	199,125
Repayment of Loans Included as a Reduction to CB Richard Ellis Services Equity.....	(5,959)
Extinguishment Costs related to CB Richard Ellis Services Existing Debt.....	15,604
Deal Costs.....	20,500
Less: Fair Value of Unvested Stock Fund Units Recorded as Deferred Compensation Asset.....	(7,889)

Total Goodwill	$ 574,357

(o) Consists of the issuance of 3,423,886 shares and 4,628,201 shares of CBRE Holding Class B common stock to RCBA Strategic and the other members of the buying group, respectively, in exchange for the contribution of shares they currently own in CB Richard Ellis Services prior to the merger. See Note (t) for further detail.

(p) Represents the elimination of the historical equity of CB Richard Ellis Services which resulted in the following adjustments:

	Amount (in thousands)
Goodwill, net	$(224,292)
Common stock	217
Additional paid-in capital	365,420
Notes receivable from sale of stock	(11,661)
Accumulated deficit	(91,943)
Accumulated other comprehensive loss	(21,897)
Treasury stock at cost	(15,844)
	$ --

(q) Represents adjustments to reflect the tax effect of the pro forma adjustments included in Notes (j), (k), (l) and (n), which resulted in the following adjustments:

	Amount (in thousands)
Goodwill, net	$(18,342)
Deferred taxes, net	10,097
Income taxes payable	8,245
	$ --

(r) Effective June 1, 2001, a new interest index fund investment option will be established in our deferred compensation plan, which will be an unfunded long term obligation of our company. Participants will have the option to transfer funds invested on their behalf from the insurance index fund, which is included in the $61.3 million cash surrender value of insurance proceeds, deferred compensation plan, in the accompanying pro forma combined balance sheet, to this new interest index fund option. We will utilize any cash received from participants to pay down any outstanding balance on our revolving credit facility. To the extent employees select this new investment option, there will be a decrease in cash surrender value of insurance proceeds, deferred compensation plan, with a corresponding decrease to any outstanding borrowings under our revolving credit facility. No amounts have been reflected in the unaudited pro forma combined balance sheet. In addition, designated managers may transfer into stock fund units up to an aggregate of $2.6 million of deferred compensation plan account balances included in cash surrender value of insurance policies, deferred compensation plan. For each $1.00 of account balances transferred to stock fund units in this manner, the pro forma deferred compensation plan liability of $80.0 million as of March 31, 2001 and the cash surrender value of insurance policies, deferred compensation plan $61.3 million as of March 31, 2001 will decrease by $1.00.

(s) Represents the issuance of 521,847 shares of CBRE Holding Class A common stock at $0.01 per share, with a fair value of $16.00 per share, in conjunction with the issuance of the $65.0 million in aggregate principal amount of our 16% senior notes. The issuance of this stock, valued at $8.4 million, is recorded as a non-cash discount to the senior notes which will be amortized as interest expense over the term of the notes of 10 years to yield level amortization.

(t) The following table assumes the offerings will be fully subscribed by designated managers and non-management employees. Actual subscriptions to the offerings may be materially different than our assumptions incorporated below. The pro forma combined equity of CBRE Holding is calculated as follows:

<TABLE>
<CAPTION>

Description of Shareholder	Class of Common Stock	Basis Per Share	Number of Shares/ Warrants	Pro Forma Combined Equity
<S>	<C>	<C>	<C>	<C>
Stock to be Issued in Conjunction with the Voting and Contribution Agreement:				
Rollover of stock in CB Richard Ellis Services owned directly by RCBA Strategic (1)	B	$12.87	2,345,900	$ 30,191,733
Purchase and contribution to CBRE Holding of stock in CB Richard Ellis Services currently owned by entities related to the general partner of RCBA Strategic	B	16.00	1,077,986	17,247,776
Rollover of stock in CB Richard Ellis Services owned by other members of the buying group	B	16.00	4,628,201	74,051,216
Subtotal			8,052,087	121,490,725
Issuance of 264,027 warrants to Freeman Spogli in exchange for current warrants to acquire common stock of CB Richard Ellis Services	B	3.85	NA	1,016,504
Subtotal--buying group			8,052,087	122,507,229
Stock to be Issued in Connection with the Offerings:				
Stock to be issued in conjunction with the rollover of shares underlying the stock fund units in the CB Richard Ellis Services deferred compensation plan (2)	A	16.00	1,841,233	29,459,728
Subtotal--non-cash equity contributions			9,893,320	151,966,957
Stock to be issued to RCBA Strategic and Blum Strategic Partners II in exchange for cash (3)	B	16.00	2,553,879	40,862,064
Stock to be issued to participants in the CB Richard Ellis Services deferred compensation plan in exchange for amounts transferred from the insurance index fund	A	16.00	162,500	2,600,000
Stock to be issued to designated managers and non-management employees for direct ownership in exchange for cash, assignment of net merger proceeds and recourse notes	A	16.00	561,133	8,978,128
Stock to be issued for cash proceeds from the merger and held in the CB Richard Ellis 401(k) plan or for direct ownership	A	16.00	1,516,668	24,266,688
Subtotal--cash proceeds from the offerings			4,794,180	76,706,880
Subtotal--equity transactions with stockholders			14,687,500	228,673,837
Stock to be issued to DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock in connection with the $65 million in aggregate principal amount of 16% senior notes	A	16.00	521,847	8,349,552
Total stockholders equity			15,209,347	$237,023,389

</TABLE>

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(1) Basis per share for RCBA Strategic is comprised of its average per share purchase price of CB Richard Ellis Services common stock of $11.54, plus an average of $1.33 per share in earnings from the date the shares were acquired through March 31, 2001.

(2) To the extent that there is a shortfall from the offerings of Class A Common Stock of CBRE Holding to the designated managers and non-management employees related to (1) shares underlying stock

fund units in the CB Richard Ellis Services deferred compensation plan, (2) shares held in the CB Richard Ellis 401(k) plan, or (3) shares to be issued to designated managers and employees for direct ownership in exchange for cash, assignment of net merger proceeds and recourse notes, RCBA Strategic and Blum Strategic Partners II are obligated to purchase additional shares in CBRE Holding representing this shortfall. No amounts have been reflected in the accompanying pro forma combined balance sheet for recourse notes that may be issued to designated managers in conjunction with the offerings.

(3) To the extent employees do not fully subscribe to the offering of the 996,338 currently vested shares of underlying stock fund units in the CB Richard Ellis Services deferred compensation plan, the pro forma deferred compensation plan liability of $80.5 million and the cash surrender value of insurance policies, deferred compensation plan of $61.3 million as of March 31, 2001 will increase by $16.00 per unit, up to a maximum of $15.9 million, for each stock fund unit not converted into the right to receive one share of CBRE Holding Class A common stock. Any resulting shortfall will be funded by RCBA Strategic in accordance with note (2) above. A portion of this commitment may be satisfied by Blum Strategic Partners II.

(u) Net debt, defined as total debt outstanding less cash and cash equivalents, will increase to $560.2 million in the pro forma combined balance sheet from $398.9 million as actually reported by CB Richard Ellis Services as of March 31, 2001, an increase of $161.3 million.

(v) The pro forma financial statements include anticipated cash proceeds from the offerings, as well as non-cash equity contributions from members of the buying group, as follows:

. $35.8 million in cash proceeds from the issuance of our Class A common stock to employees.

. The contribution of $29.5 million in stock fund units held by employees in the CB Richard Ellis Services deferred compensation plan contributed to us in exchange for stock fund units underlying our Class A common stock. Included in the $29.5 million figure is approximately $15.9 million in vested stock fund units for which employees have the right to receive $16.00 per unit in cash in lieu of contributing such stock fund units to us.

. $40.9 million in proceeds from the issuance of our Class B common stock to the RCBA Strategic and Blum Strategic Partners II.

. The contribution of $122.5 million of equity in CB Richard Ellis Services, owned by members of the buying group immediately prior to the merger, to us in exchange for shares of our Class B common stock. Included in the $122.5 million figure is approximately (a) $30.7 million of equity of CB Richard Ellis Services currently owned directly by RCBA Strategic entities related to the general partner of RCBA Strategic, (b) $17.3 million of equity of CB Richard Ellis Services owned by and (c) $75.1 million of equity of CB Richard Ellis Services owned by other members of the buying group. RCBA Strategic has committed to purchase for cash and contribute to us the $17.3 million in equity of CB Richard Ellis Services owned by entities related to the general partner of RCBA Strategic immediately prior to the transactions in accordance with the voting and contribution agreement. These shares are not subject to the offerings being registered in this document.

. In accordance with the amended and restated voting and contribution agreement, RCBA Strategic has committed to contribute up to $110 million in cash equity to us to fund any short fall resulting from a less than full subscription to the offerings outlined above. This commitment excludes the rollover contributions from the other members of the buying group of $75.1 million and from RCBA Strategic of $30.7 million included

in the $122.5 million figure above, as stockholders are committed to contribute such shares to us in accordance with the voting and contribution agreement. A portion of this commitment may be satisfied by Blum Strategic Partners II. We will issue additional shares of Class B common stock to RCBA Strategic and Blum Strategic Partners II for any additional cash contributed to us to make up for any shortfall from the offerings.

In addition, CBRE Holding has firm commitments from the following lenders;

- $65 million in 16% senior notes from DLJ Investment Funding, Inc. and the other purchasers of our senior notes;

- $229 million in 11.25% senior subordinated notes, issued and sold on June 7, 2001 for approximately $225.6 million;

- $225 million in a new senior secured credit facility with Credit Suisse First Boston; and

- A $100 million revolving credit facility included in addition to the senior secured credit facility with Credit Suisse First Boston.

As outlined above, we have firm commitments to receive up to $228.7 million in equity from the members of the Buying Group, which has been reflected in the accompanying unaudited pro forma combined balance sheet. As such, the receipt of offering proceeds and the application of such proceeds have been included in the unaudited pro forma financial statements.

CBRE Holding, Inc. and Subsidiaries
Unaudited Pro Forma Combined Statement of Operations
For the Year Ended December 31, 2000
(in thousands)

<TABLE>
<CAPTION>

	Year Ended December 31, 2000			
	CB Richard Ellis Services	CBRE Holding, Inc.	Pro Forma Adjustments	Pro Forma Combined
			(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>	<C>
Revenue:				
Leases	$ 539,419	$ --	$	$ 539,419
Sales	389,745			389,745
Property and facilities management fees	110,654			110,654
Consulting and referral fees	78,714			78,714
Appraisal fees	75,055			75,055
Loan origination and servicing fees	58,190			58,190
Investment management fees	42,475			42,475
Other	29,352			29,352
Total revenue	1,323,604			1,323,604
Costs and Expenses:				
Commissions, fees and other incentives	634,639			634,639
Operating, administrative, and other	538,481		1,354 (a)	539,835
Depreciation and amortization	43,199		(23,992)(b)	
			28,282 (a)	
			(162)(c)	47,327
Operating income	107,285		(5,482)	101,803
Interest income	2,554			2,554
Interest expense	41,700		26,541 (d)	68,241
Income before provision for income tax	68,139		(32,023)	36,116

Provision for income taxes	34,751		(8,849)(e)	25,902	
Net income	$ 33,388	$ --	$(23,174)	$ 10,214	
Net income applicable to common stockholders	$ 33,388			$ 10,214	
Basic earnings per share	$ 1.60			$ 0.69	
Weighted average shares outstanding for basic earnings per share	20,931,111			14,720,963	(f)
Diluted earnings per share	$ 1.58			$ 0.69	
Weighted average shares outstanding for diluted earnings per share	21,097,240			14,759,486	(f)

</TABLE>

NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000

(a) Reflects amortization of the estimated fair value of CB Richard Ellis Services goodwill over 30 years and of identifiable intangible and other assets over 3 to 10 years.

(b) Represents the reversal of CB Richard Ellis Services historical amortization related to our goodwill and other intangible assets.

(c) Represents the net adjustment to CB Richard Ellis Services depreciation expense resulting from fair value adjustments to property and equipment, which are non-cash charges resulting from purchase accounting entries.

(d) The increase in pro forma interest expense as a result of the transactions is summarized as follows:

<TABLE>
<CAPTION>

	Amount (in thousands)
<S>	<C>
Interest on Tranche A senior secured term loan at 9.81%	$ 4,905
Interest on Tranche B senior secured term loan at 10.31%	18,043
Interest on 11 1/4% senior subordinated notes	25,763
Interest on the revolving credit facility at 9.81%	1,560
Interest on 16% senior notes	10,400
Interest on existing other borrowings (including capital leases)	4,448
Cash interest expense	65,119
Amortization of debt issuance costs:	
($1.3 million over a 6 year amortization period)	208
($6.9 million over a 7 year amortization period)	982
($20.9 million over a 10 year amortization period)	1,932
	68,241
Less: historical cash interest expense	(39,404)
Less: historical amortization of debt issuance costs	(2,296)
Net increase	$ 26,541

</TABLE>

For purposes of computing pro forma combined interest expense, the Tranche A senior secured term loan is assumed to bear interest at an annual rate of 3 month LIBOR plus margin of 3.25%, the Tranche B senior secured term loan is assumed to bear interest at annual rate of 3 month LIBOR plus margin of 3.75% and the revolving credit facility is assumed to bear interest at an annual rate of 3 month LIBOR plus 3.25% on amounts borrowed. LIBOR is based on our average 3 month LIBOR rate for fiscal year 2000 of 6.56% for purposes of computing pro forma combined interest expense. As of June 26, 2001, the 3 month LIBOR was 3.71%. At a rate of

3.71%, the cash component of pro forma combined interest expense would have been approximately $58.2 million for the year ended December 31, 2000, which would have represented a decrease of $6.9 million from pro forma interest expense included in the accompanying unaudited pro forma combined statement of operations. Each 1.0% change in the 3 month LIBOR would have increased or decreased pro forma combined interest expense by $2.4 million for the year ended December 31, 2000. Included in amortization of debt issuance costs is the fair value of $8.4 million in Class A common stock of CBRE Holding issued in accordance with the terms of the 16% senior notes, which is being amortized over 10 years to yield level amortization.

(e) Represents the tax effect of pro forma adjustments included in Notes (a) through (d) above at a combined federal and state statutory tax rate of 38.5%, excluding certain items that are permanently non-deductible for tax purposes.

(f) Reflects the pro forma number of weighted average shares giving effect to the CBRE Holding common stock to be issued in connection with our purchase of CB Richard Ellis Services and the offerings for purposes of computing basic earnings per share, and the dilutive impact of the unvested stock fund units

underlying the deferred compensation plan for purposes of computing diluted earnings per share. The warrants to be issued to Freemen Spogli in connection with the contribution and voting agreement and the options to be issued to designated managers and non-management employees in connection with the offerings are anti-dilutive and have been excluded from the calculation of dilutive earnings per share. The weighted average number of shares outstanding are calculated as follows:

<TABLE>

<S>	<C>
Weighted average shares outstanding for basic earnings per share:	
Expected shares to be issued	14,720,963
Weighted average shares outstanding for dilutive earnings per share:	
Expected shares to be issued	14,720,963
Dilutive effect of unvested shares underlying stock fund units in the deferred compensation plan	38,523
Weighted average shares outstanding for diluted earnings per share	14,759,486

</TABLE>

CB Richard Ellis Services and Subsidiaries
Unaudited Pro Forma Combined Statement of Operations
For the Three Months Ended March 31, 2001
(in thousands)

<TABLE>
<CAPTION>

	Quarter Ended March 31, 2001			
	CB Richard Ellis Services	CBRE Holding, Inc.	Pro Forma Adjustments	Pro Forma Combined
			(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>	<C>
Revenue:				
Leases	$ 103,166	$--	$	$ 103,166
Sales	73,843			73,843
Property and facilities management fees	27,872			27,872
Consulting and referral fees	16,367			16,367
Appraisal fees	18,836			18,836
Loan origination and servicing fees	14,812			14,812

Investment management fees	8,549			8,549
Other	9,053			9,053
Total revenues	272,498			272,498
Costs and Expenses:				
Commissions, fees and other incentives	124,398			124,398
Operating, administrative and other	134,079		374 (a)	134,453
Depreciation and amortization	11,696		(5,929)(b)	
			7,078 (a)	
			(515)(c)	12,330
Operating income	2,325		(1,008)	1,317
Interest income	800			800
Interest expense	9,055		7,029 (d)	16,084
Loss before benefit for income tax	(5,930)		(8,037)	(13,967)
Benefit for income taxes	(3,084)		(2,224)(e)	(5,308)
Net loss	$ (2,846)	$--	$(5,813)	$ (8,659)
Net loss applicable to common stockholders	$ (2,846)			$ (8,659)
Basic loss per share	$ (0.13)			$ (0.59)
Weighted average shares outstanding for basic loss per share	21,309,550			14,720,963
Diluted loss per share	$ (0.13)			$ (0.59)
Weighted average shares outstanding for diluted loss per share	21,309,550			14,720,963

</TABLE>

NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2001

(a) Reflects amortization of the estimated fair value of CB Richard Ellis Services goodwill over 30 years and of identifiable intangible and other assets over 3 to 10 years.

(b) Represents the reversal of CB Richard Ellis Services historical amortization related to its goodwill and other intangible assets.

(c) Represents the net adjustment to CB Richard Ellis Services depreciation expense resulting from fair value adjustments to property and equipment, which are non-cash charges resulting from purchase accounting entries.

(d) The increase to pro forma interest expense as a result of the transactions is summarized as follows:

<TABLE>
<CAPTION>

	Amount (in thousands)
<S>	<C>
Interest on Tranche A senior secured term loan at 8.59%	$ 1,073
Interest on Tranche B senior secured term loan at 9.09%	3,975
Interest on senior subordinated notes offered hereby	6,441
Interest on the revolving credit facility at 8.59%	200
Interest on 16% senior notes	2,600
Interest on other existing borrowings (including capital leases)	1,013
Cash interest expense	15,302
Amortization of debt issuance costs: ($1.3 million over a 6 year amortization period)	52

($6.9 million over a 7 year amortization period).....	246
($20.9 million over a 10 year amortization period).....	484
	16,084
Less: historical cash interest expense.....	(8,536)
Less: historical amortization of debt issuance costs.....	(519)
Net increase.....	$ 7,029

</TABLE>

For purposes of computing pro forma combined interest expense, the Tranche A senior secured term loan is assumed to bear interest at an annual rate of 3 month LIBOR plus margin of 3.25%, the Tranche B senior secured term loan is assumed to bear interest at an annual rate of 3 month LIBOR plus margin of 3.75%, and the revolving credit facility is assumed to bear interest at an annual rate of 3 month LIBOR plus 3.25% on amounts borrowed. LIBOR is based on our average 3 month LIBOR rate for the three months ended March 31, 2001 of 5.34% for purposes of computing pro forma interest expense. As of June 26, 2001, the 3 month LIBOR was 3.71%. At a rate of 3.71%, the cash component of pro forma combined interest expense would have been approximately $14.3 million for the three months ended March 31, 2001, which would be a decrease of $1.0 million. Each 1.0% change in the 3 month LIBOR would have had the impact of increasing or decreasing pro forma combined interest expense by $0.6 million for the three months ended March 31, 2001. Included in amortization of debt insurance costs is the fair value of $8.4 million in Class A common stock of CBRE Holding issued in accordance with the terms of the 16% senior notes, which is being amortized over 10 years to yield level amortization.

(e) Represents the tax effect of pro forma adjustments included in Notes (a) through (d) above at a combined federal and state statutory tax rate of 38.5%, excluding certain items that are permanently non-deductible for tax purposes.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected financial data have been derived from CB Richard Ellis Services' consolidated financial statements and should be read in conjunction with CB Richard Ellis Services' financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. CB Richard Ellis Services' historical results are not necessarily indicative of our future results.

<TABLE>
<CAPTION>

	Year Ended December 31,					Quarter Ended March 31,	
	1996	1997	1998	1999	2000	2000	2001
	(in thousands, except share and per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data: (/1/)							
Revenue.....	$ 583,068	$ 730,224	$1,034,503	$1,213,039	$1,323,604	$ 260,919	$ 272,498
Operating income.....	48,429	59,088	78,476	76,899	107,285	9,239	2,325
Interest expense, net..	22,620	13,182	27,993	37,438	39,146	9,196	8,255
Net income.....	70,549	24,397	24,557	23,282	33,388	20	(2,846)
Basic earnings (loss) per share (/2/)(/4/)..	5.05	1.34	(0.38)	1.11	1.60	--	(0.13)
Weighted average shares outstanding for basic earnings per share....	13,783,882	15,237,914	20,136,117	20,998,097	20,931,111	20,819,268	21,309,550
Diluted earnings (loss) per share.....	4.99	1.28	(0.38)	1.10	1.58	--	(0.13)
Weighted average shares outstanding for diluted earnings per share.....	14,126,636	15,996,929	20,136,117	21,072,436	21,097,240	20,851,184	21,309,550
Other Data:							
EBITDA, excluding merger-related and other nonrecurring charges (/3/).....	$ 62,003	$ 90,072	$ 127,246	$ 117,369	$ 150,484	$ 19,808	$ 14,021
Net cash provided by operating activities..	65,694	80,835	76,614	74,011	84,112	(67,522)	(104,263)
Net cash used in investing activities..	(10,906)	(18,018)	(223,520)	(26,767)	(35,722)	6,314	(536)

Net cash (used in) provided by financing activities.....	(28,505)	(64,964)	119,438	(37,721)	(53,523)	58,794	104,940

<CAPTION>

	December 31,					March 31,	
	1996	1997	1998	1999	2000	2000	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance Sheet Data:							
Cash and cash equivalents.....	$ 49,328	$ 47,181	$ 19,551	$ 27,844	$ 20,854	$ 24,791	$ 20,339
Total assets.....	278,944	500,100	856,892	929,483	963,105	897,756	931,296
Total long-term debt...	148,529	146,273	373,691	357,872	303,571	416,531	409,653
Total liabilities.....	280,364	334,657	660,175	715,874	724,018	687,765	704,037
Total stockholders' equity	(1,515)	157,771	190,842	209,737	235,339	206,711	224,292
Number of shares outstanding.....	13,232,063	18,768,200	20,636,134	20,435,692	20,605,023	20,408,692	20,605,023
Book value per share...	(0.18)	9.55	9.48	9.95	11.15	9.91	10.53
Ratios:							
Earnings/fixed charges (/5/).....	1.75	2.33	2.17	1.79	2.15	0.97	0.63
Debt/equity.....	(109.80)	0.97	2.04	1.74	1.33	2.04	1.87
Debt/EBITDA (/3/).....	2.68	1.69	3.06	3.11	2.09	21.34	29.90
EBITDA/net interest expense (/3/).....	2.74	6.83	4.55	3.14	3.84	2.15	1.70
Operating expense as a percentage of revenue.....	39.2%	37.8%	43.4%	44.2%	40.7%	48.7%	49.2 %
EBITDA, excluding merger-related and other nonrecurring charges as a percentage of revenue (/3/).....	10.6%	12.3%	12.3%	9.7%	11.4%	7.6%	5.1 %
Net income as a percentage of revenue.....	12.1%	3.3%	2.4%	1.9%	2.5%	-- %	(1.0)%
International revenue as a percentage of consolidated revenue..	--	--	14.5%	22.5%	22.4%	23.9%	22.6 %

</TABLE>

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(1) The results include the activities of Koll Real Estate Services from the date of acquisition, August 28, 1997, REI Limited from the date of acquisition, April 17, 1998, and CB Hillier Parker Limited from the date of acquisition, July 7, 1998. For the year ended December 31, 1998, basic and diluted loss per share include a deemed dividend of $32.3 million on the repurchase of CB Richard Ellis Services' preferred

stock. From the year ended December 31, 1996 net income includes a tax benefit of $55.9 million due to a reduction in CB Richard Ellis Services' deferred tax asset valuation allowance. A portion of CB Richard Ellis Services' net operating losses would be realizable due to its ability to generate additional taxable income in the future.

(2) EPS represents earnings (loss) per share. See Per Share Information in Note 9 of Notes to Consolidated Financial Statements.

(3) EBITDA, excluding merger-related and other nonrecurring charges represents earnings before interest expense, income taxes, depreciation and amortization of intangible assets and excludes merger-related and other nonrecurring charges. CB Richard Ellis Services' management believes that the presentation of EBITDA, excluding merger-related and other nonrecurring charges will enhance a reader's understanding of our operating performance and ability to service debt as it provides a measure of cash generated, subject to the payment of interest and income taxes, that can be used by CB Richard Ellis Services to service its debt and for other required or discretionary purposes. Net cash that will be available to us for discretionary purposes represents remaining cash, after debt service and other cash requirements, such as capital expenditures, are deducted from EBITDA, excluding merger-related and other nonrecurring charges. EBITDA, excluding merger-related and other nonrecurring charges should not be considered as an alternative to (a) operating income determined in accordance with GAAP or (b) operating cash flow determined in accordance with GAAP. This calculation of EBITDA may not be comparable to similarly titled measures reported by other companies.

EBITDA, excluding merger related and other nonrecurring charges, is calculated as follows:

<TABLE>
<CAPTION>

	Year Ended December 31,					Quarter Ended March 31,	
	1996	1997	1998	1999	2000	2000	2001
	(in thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operating Income.....	$48,429	$59,088	$ 78,476	$ 76,899	$107,285	$ 9,239	$ 2,325
Add:							
Depreciation and amortization.....	13,574	18,060	32,185	40,470	43,199	10,569	11,696
Merger-related and other nonrecurring charges.....	--	12,924	16,585	--	--	--	--
EBITDA, excluding merger-related and other nonrecurring charges.....	$62,003	$90,072	$127,246	$117,369	$150,484	$19,808	$14,021

</TABLE>

(4) CB Richard Ellis Services has not declared any cash dividends on its common stock for the periods shown.

(5) Includes a deficiency of $0.4 million for the quarter ended March 31, 2000 and a deficiency of $5.2 million for the quarter ended March 31, 2001.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the risks described in "Risk Factors" and elsewhere in this prospectus. You should read the following discussion with the sections of this prospectus titled "Unaudited Pro Forma Combined Financial Data," "Selected Consolidated Financial Data" and CB Richard Ellis Services' financial statements and related notes included elsewhere in this prospectus.

Basis of Presentation

We currently do not conduct any business or have any operations and were formed solely to serve as a holding company for CB Richard Ellis Services and its subsidiaries. We will acquire CB Richard Ellis Services pursuant to an amended and restated agreement and plan of merger, dated as of May 31, 2001, pursuant to which our wholly-owned subsidiary, BLUM CB Corp. will merger into CB Richard Ellis Services, which will survive the merger as our wholly-owned subsidiary.

After the merger, our business and operations will be the same as that conducted by CB Richard Ellis Services and its subsidiaries before the merger. Accordingly, this section, Management's Discussion and Analysis of Financial Condition and Results of Operations, includes a description of the historical results of CB Richard Ellis Services, including discussions in the sections entitled "Overview," "Recent Developments," "Results of Operations," "Segment Operations," "Quarterly Financial Information," "Recent Acquisitions" and "Recent Accounting Pronouncements." However, as a result of the merger and the related financings, our liquidity and capital resources will change significantly in specified areas from our consolidated financial position prior to the merger. Accordingly, this Management's Discussion and Analysis of Financial Condition and Results of Operations includes information regarding our indebtedness after giving effect to the merger and the related financings in the section titled "Quantitative and Qualitative Disclosures About Our Market Risk." In addition, the section titled "Liquidity and Capital Resources" discusses our liquidity and capital resources both historically and after giving effect to the merger.

Overview

CB Richard Ellis Services is the largest global commercial real estate services firm in magnitude of revenue, offering a full range of services to commercial real estate occupiers, owners, lenders and investors. Through its 250 offices, it provides, under the CB Richard Ellis brand name and the CB Hillier Parker brand name in the United Kingdom, services on a local, national and international basis across approximately 100 markets in 44 countries. During 2000, it advised on approximately 25,000 lease transactions involving aggregate rents, under the terms of leases facilitated, of approximately $26.0 billion and approximately 7,500 sales transactions with transaction values totaling approximately $26.0 billion. Also during 2000, CB Richard Ellis

Services managed approximately 516 million square feet of property, provided investment management services for $10.0 billion of assets, originated nearly $7.2 billion in loans, serviced $16.7 billion in loans engaged in over 31,000 valuation/appraisal and advisory assignments and serviced approximately 1,400 subscribers with proprietary research. In addition, at March 31, 2001, it employed approximately 9,700 employees.

CB Richard Ellis Services reports its operations through three geographic divisions and three operating segments:

- The Americas, which consists of the United States, Canada, Mexico and operations located in Central and South America. Operations in Mexico, Central and South America are referred to as the Latin America operations.

- EMEA, which is an acronym for Europe, the Middle East and Africa. This operating group became part of CB Richard Ellis Services through a series of acquisitions, most significantly Hillier Parker and REI.

- Asia Pacific, which consists of operations in Asia, Australia and New Zealand. These operations were acquired by CB Richard Ellis Services in part through the REI acquisition and in total through a subsequent acquisition.

Revenue from transaction management, which constitutes a substantial majority of CB Richard Ellis Services' revenue, is subject to economic cycles. However, CB Richard Ellis Services' significant size, geographic coverage, number of transactions and large continuing client base tend to minimize the impact of economic cycles on annual revenue and create what we believe is equivalent to a recurring stream of revenue. CB Richard Ellis Services estimates that approximately 57% of the costs and expenses associated with transaction management are directly correlated to revenue while approximately 25% of the costs and expenses of management services and financial services are directly correlated to revenue.

In addition, CB Richard Ellis Services' operations are directly affected by actual and perceived trends in various national and economic conditions, including interest rates, the availability of credit to finance commercial real estate transactions and the impact of tax laws. CB Richard Ellis Services' international operations are subject to political instability, currency fluctuations and changing regulatory environments. To date, CB Richard Ellis Services does not believe that general inflation has had a material impact upon its operations. Revenues, commissions and other variable costs related to revenues are primarily affected by real estate market supply and demand rather than general inflation.

Recent Developments

In the latter part of the first quarter of 2001, CB Richard Ellis Services' business was adversely affected by a slowdown in the U.S. economy in general and certain local and regional U.S. economies in particular which have led to deteriorating commercial real estate market conditions. While CB Richard Ellis Services' revenue in the first quarter of 2001 increased approximately 4% as compared to the first quarter of 2000, its revenues were below its expectations and its costs and expenses, excluding depreciation and amortization, increased by approximately 7.2% from the first quarter of 2000. Please refer to the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus for a detailed discussion of CB Richard Ellis Services' first quarter performance.

CB Richard Ellis Services' first quarter results reflected a strong January followed by a slowdown in its U.S. sales activities beginning in February and a slowdown in U.S. lease activities beginning in March, as well as lower than expected revenues in Europe and Asia Pacific. This weakness in sales and lease activities has continued into the second quarter. Internal results indicate that CB Richard Ellis Services' operating results for the second quarter ending June 30, 2001 will be considerably below its operating results for the second quarter ending June 30, 2000.

Following CB Richard Ellis Services' last major cost reduction program in 1999, it has continued to evaluate its operating expenses relative to its performance. In response to the continued weakness described above, CB Richard Ellis Services has formulated a new cost reduction program in May 2001 to reduce operating expenses. CB Richard Ellis Services anticipates that this program will begin to be implemented immediately with work force reductions expected to be completed during the third quarter. This program is expected to reduce budgeted expenses for the remainder of the year 2001 by between approximately $35 and $40 million, excluding one-time severance costs. Expense reductions will occur in three areas with the following estimated cost reductions for the remainder of 2001:

- a reduction in work force combined with a hiring freeze, which are expected to yield a savings of approximately $8 to $10 million;

- a reduction in the bonuses for senior managers worldwide, which is expected to yield a savings of approximately $20 million; and

- a reduction in other operating and back office expenses, which is expected to yield a savings of approximately $7 to $10 million.

Results of Operations

The following table sets forth items derived from CB Richard Ellis Serivces' consolidated statements of operations for the years ended December 31, 1998, 1999 and 2000, and for the quarters ended March 31, 2000 and March 31, 2001, presented in dollars and as a percentage of revenue:

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	Year Ended December 31,						Quarter Ended March 31,			
	1998		1999		2000		2000		2001	
	(in thousands)									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue:										
Leases	$ 371,300	35.9%	$ 448,091	36.9%	$ 539,419	40.8%	$ 99,753	38.2%	$103,166	37.9%
Sales	357,718	34.6	394,718	32.5	389,745	29.4	74,281	28.5	73,843	27.1
Property and facilities management fees	86,379	8.4	110,111	9.1	110,654	8.4	25,285	9.7	27,872	10.2
Consulting and referral fees	72,586	7.0	73,569	6.1	78,714	5.9	16,314	6.2	16,367	6.0
Appraisal fees	48,082	4.6	71,050	5.9	75,055	5.7	16,284	6.2	18,836	6.9
Loan origination and servicing fees	39,402	3.8	45,940	3.8	58,190	4.4	9,263	3.6	14,812	5.5
Investment management fees	33,145	3.2	28,929	2.4	42,475	3.2	7,337	2.8	8,549	3.1
Other	25,891	2.5	40,631	3.3	29,352	2.2	12,402	4.8	9,053	3.3
Total revenue	1,034,503	100.0	1,213,039	100.0	1,323,604	100.0	260,919	100.0	272,498	100.0
Costs and expenses:										
Commissions, fees and other incentives	458,463	44.3	559,289	46.1	634,639	47.9	113,963	43.7	124,398	45.7
Operating, administrative and other	448,794	43.4	536,381	44.2	538,481	40.7	127,148	48.7	134,079	49.2
Depreciation and amortization	32,185	3.1	40,470	3.4	43,199	3.3	10,569	4.1	11,696	4.3
Merger-related and other nonrecurring charges	16,585	1.6	--	--	--	--	--	--	--	--
Operating income	78,476	7.6	76,899	6.3	107,285	8.1	9,239	3.5	2,325	0.8
Interest income	3,054	0.3	1,930	0.2	2,554	0.2	489	0.2	800	0.3
Interest expense	31,047	3.0	39,368	3.2	41,700	3.2	9,685	3.7	9,055	3.3
Income before provision (benefit) for income tax	50,483	4.9	39,461	3.3	68,139	5.1	43	--	(5,930)	(2.2)
Provision (benefit) for income tax	25,926	2.5	16,179	1.4	34,751	2.6	23	--	(3,084)	(1.1)

Net income (loss).....	$ 24,557	2.4%	$ 23,282	1.9%	$ 33,388	2.5%	$ 20	-- %	$ (2,846)	(1.1%)
EBITDA, excluding merger-related and other nonrecurring charges.....	$ 127,246 (/1/)	12.3%	$ 117,369	9.7%	$ 150,484	11.4%	$ 19,808	7.6%	$ 14,021	5.1%

</TABLE>

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(1) EBITDA, excluding merger-related and other nonrecurring charges, for the year ended December 31, 1998 is calculated as the sum of operating income of $78.5 million, plus merger-related and other nonrecurring charges of $16.6 million and depreciation and amortization of $32.2 million.

Quarter Ended March 31, 2001 Compared to Quarter Ended March 31, 2000

CB Richard Ellis Sercvices reported consolidated net loss of $2.8 million for the quarter ended March 31, 2001 on revenue of $272.5 million compared to consolidated net income of $0.02 million on revenues of $260.9 million for the quarter ended March 31, 2000. These results include a nonrecurring pre-tax gain of $5.6 million on the sale of mortgage fund management contracts during the quarter ended March 31, 2001 compared to a $4.7 million nonrecurring pre-tax gain on the sale of certain non-strategic assets during the quarter ended March 31, 2000.

Revenue on a consolidated basis increased by $11.6 million or 4.4% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000. This was driven by a 59.9% increase in loan origination and servicing fees due primarily to higher loan origination fees during the month of March. In addition, lease revenue increased by $3.4 million, mainly as a result of the North American operations. Property and facilities management fees, as well as appraisal fees grew by approximately $2.6 million each. These revenue increases were slightly offset by a decrease of $3.3 million in other revenue. The decrease in other revenue is the result of the contribution of an engineering services group into a separately owned joint venture during April 2000, as well as the sale of several non-strategic assets previously included in the management services segment. In addition, sales revenue decreased by $0.4 million due to lower revenue in the international operations, offset by higher sales revenue in North America of $1.9 million.

Commissions, fees and other incentives totaled $124.4 million on a consolidated basis, a 9.2% increase from the quarter ended March 31, 2000. The increase is primarily due to higher overall commissions within the North American operations, primarily as a result of increased revenue. Insurance and benefit costs for producers in the United States, which are a component of commission expense, also increased during the quarter ended March 31, 2001. The increase in insurance and benefit costs over prior year periods should continue throughout the remainder of the year. Producer compensation within the international operations are typically fixed in nature compared to the North American operations and did not decrease as a result of lower revenue. These factors resulted in commissions as a percentage of revenue increasing from 43.7% to 45.7% in the quarter ended March 31, 2001.

Operating, administrative and other on a consolidated basis was $134.1 million, an increase of $6.9 million or 5.5% as compared to the quarter ended March 31, 2000. This is primarily due to higher personnel requirements and insurance and benefit costs within North America, as well as lower earnings from unconsolidated subsidiaries during the current quarter. The quarter ended March 31, 2001 also includes compensation expense related to the deferred compensation plan retention program of $1.0 million, which became effective January 2001 and accordingly, had no impact on the results of the quarter ended March 31, 2000.

Consolidated interest expense was $9.1 million, a decrease of $0.6 million or 6.5% from the quarter ended March 31, 2000. This decrease was primarily a result of lower average borrowing levels during the current quarter due to the pay down of the revolving credit facility during December 2000. In addition, the revolving credit facility was renewed at a lower average borrowing rate during the quarter ended March 31, 2001 as compared to the quarter ended March 31, 2000.

The income tax benefit on a consolidated basis was $3.1 million for the quarter ended March 31, 2001, as compared to a provision for income tax of $0.02 million for the quarter ended March 31, 2000. The current quarter benefit was the result of the pre-tax loss. The effective tax rate was 52.0% for the three months ended March 31, 2001 as compared to 53.5% for the quarter ended March 31, 2000. CB Richard Ellis Services calculates its effective tax rate based on an estimate of our annual earnings for the entire year.

EBITDA, excluding merger-related and other nonrecurring charges, was $14.0 million for the quarter ended March 31, 2001, as compared to $19.8 million for the quarter ended March 31, 2000. EBITDA, excluding merger-related and other nonrecurring charges, represents earnings before net interest expense, income taxes, depreciation and amortization of intangible assets and also excludes merger-related and other nonrecurring charges. Management believes that the presentation of EBITDA, excluding merger-related and other nonrecurring charges, will enhance a reader's understanding of our operating performance and ability to service debt as it provides a measure of cash generated, subject to the payment of interest and income taxes, that we can use to service our debt and for other required or discretionary purposes. Additionally, many of CB Richard Ellis Services' debt covenants are based upon EBITDA. EBITDA, excluding merger-related and other nonrecurring charges should not be considered as an alternative to (a) operating income determined in accordance with GAAP or (b) operating cash flow determined in accordance with GAAP. This calculation of EBITDA, excluding merger-related and other nonrecurring charges may not be comparable to similarly titled measures reported by other companies.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

CB Richard Ellis Services reported a consolidated net income of $33.4 million for the year ended December 31, 2000, on revenues of $1,323.6 million compared to a consolidated net income of $23.3 million on revenues of $1,213.0 million for the year ended December 31, 1999. The 2000 results include a $4.7 million nonrecurring pre-tax gain from its sale of select non-strategic assets. The 1999 results include nonrecurring pre-tax gains from the sale of five non-strategic offices and a risk management operation totaling $8.7 million, as well as one time charges of approximately $10.2 million, the majority of which were severance costs related to CB Richard Ellis Services' reduction in workforce.

Revenues on a consolidated basis increased by $110.6 million or 9.1% during the year ended December 31, 2000, compared to the year ended December 31, 1999. The real estate market in the U.S. remained healthy in 2000, with relatively low interest and vacancy rates. As a result, lease revenues increased by $91.3 million or 20.4% during the current year. Investment management fees increased by $13.5 million or 46.8% and loan origination and servicing fees were higher by $12.3 million or 26.7%. In addition, other revenues decreased by $11.3 million primarily due to the contribution of an engineering services group into a separately owned joint venture, as well as the loss of revenue due to the sale of assets previously included in the management services segment.

Commissions, fees and other incentives on a consolidated basis totaled $634.6 million, an increase of $75.4 million or 13.5% for the year ended December 31, 2000, compared to the year ended December 31, 1999. Lease commissions increased significantly due to higher lease revenue. In addition, the overall revenue growth resulted in higher variable commission expense as compared to the prior year. Variable commissions increase as a percentage of revenue as select earnings levels are met. During 2000, a greater number of high level producers earned a larger proportion of total revenues. This contributed to an increase in commissions as a percentage of revenue from 46.1% to 47.9% for 2001.

Operating, administrative and other on a consolidated basis was $538.5 million, an increase of $2.1 million or 0.4% for the year ended December 31, 2000, compared to prior year. This increase is due to higher bonus incentives and profit share driven by the improved current year results, offset by lower salary requirements in North America. As a percentage of revenue, operating, administrative and other was 40.7% for the year ended December 31, 2000, compared to 44.2% for the year ended December 31, 1999. The decreased percentage is due to CB Richard Ellis Services' focus on higher margin lines of business, as well as an improvement in its operational efficiency through cost containment measures.

Consolidated interest expense was $41.7 million, an increase of $2.3 million or 5.9% for the year ended December 31, 2000, as compared to the year ended December 31, 1999. The increase resulted from higher interest rates for the revolving credit facility, offset in part by lower average borrowing levels during 2000. Overall, CB Richard Ellis Services reduced its outstanding long-term debt by $50.5 million or 13.8% as compared to December 31, 1999, helping to minimize the impact of the increased interest rates during 2000.

Provision for income tax on a consolidated basis was $34.8 million for the year ended December 31, 2000, as compared to the provision for income tax of $16.2 million for the year ended December 31, 1999. The increase is mainly due to higher pre-tax income and a lower release of valuation allowance during the current year. The effective tax rate was 51.0% for the current year as compared to 41.0% for the prior year. The increase in the effective tax rate is primarily due to a decrease in the release of valuation allowances from $6.3 million to $3.0 million in the current year. Valuation allowances over the past two years have been released as it has become more likely than not that CB Richard Ellis Services would realize additional deferred tax assets.

EBITDA, excluding merger-related and other nonrecurring charges, was $150.5 million for the year ended December 31, 2000, as compared to $117.4 million for the year ended December 31, 1999, with EBITDA, excluding merger-related and other nonrecurring charges, as a percentage of revenue, increasing from 9.7% in 1999 to 11.4% in 2000. There were no merger-related or other nonrecurring charges in 2000 and 1999.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

CB Richard Ellis Services reported a consolidated net income of $23.3 million for the year ended December 31, 1999, on revenues of $1,213.0 million compared to a consolidated net income of $24.6 million on revenues of $1,034.5 million for the year ended December 31, 1998. However, including the $32.3 million deemed dividend resulting from the accounting treatment of the preferred stock repurchase, the 1998 net loss applicable to common stockholders was $7.7 million. The 1999 result includes nonrecurring gains of $8.7 million from the sale of five non-strategic offices and a risk management operation and one-time charges of approximately $10.2 million, the majority of which were severance costs related to CB Richard Ellis Services' reduction in workforce.

Revenues on a consolidated basis were $1,213.0 million, an increase of $178.5 million or 17.3% for the year ended December 31, 1999, compared to the year ended December 31, 1998. The overall increase related to the continued improvement in commercial real estate markets across the U.S. as reflected in increased lease transactions, as well as the full contribution from REI, Hillier Parker and various other 1998 acquisitions. Additionally, CB Richard Ellis Services continued to benefit from its global market presence by leveraging its ability to deliver comprehensive real estate services into new businesses.

Commissions, fees and other incentives on a consolidated basis were $559.3 million, an increase of $100.8 million or 22.0% for the year ended December 31, 1999, compared to the year ended December 31, 1998. The increase in these costs is attributable to an increase in revenue and includes the impact of a new commission-based program, which enables sales professionals to earn additional commission over a particular revenue threshold. The increase is also due to the full year contribution from REI and Hillier Parker and various other 1998 acquisitions.

Operating, administrative and other on a consolidated basis was $536.4 million, an increase of $87.6 million or 19.5% for the year ended December 31, 1999, compared to the year ended December 31, 1998. As a percentage of revenue, operating, administrative and other increased slightly to 44.2% for the year ended December 31, 1999, compared to 43.4% for the year ended December 31, 1998. The increase is due primarily to the acquisitions of REI and Hillier Parker.

Consolidated interest expense was $39.4 million, an increase of $8.3 million or 26.8% for the year ended December 31, 1999, as compared to the year ended December 31, 1998. The increase resulted from the renewal of select senior term loans at a higher borrowing rate as well as higher borrowing levels during 1999.

Provision for income tax on a consolidated basis was $16.2 million for the year ended December 31, 1999, as compared to the provision for income tax of $25.9 million for the year ended December 31, 1998. The decrease is primarily due to the decrease in income before provision for income tax. In addition, CB Richard Ellis Services released $6.3 million valuation allowances as it became evident that it was more likely than not that it would realize additional deferred tax assets, resulting in a decrease in the effective tax rate. In early 1998, CB Richard Ellis Services repurchased its outstanding preferred stock which triggered a limitation on the annual amount of net operating losses it can use to offset future U.S. taxable income. This limitation does not affect the way taxes are reported for financial reporting purposes, but it does affect the timing of the actual amount of taxes paid on an annual basis.

EBITDA, excluding merger-related and other nonrecurring charges, was $117.4 million for the year ended December 31, 1999, as compared to $127.2 million for the year ended December 31, 1998. EBITDA, excluding merger-related and other nonrecurring charges, excludes merger related charges of $16.6 million in 1998 relating to CB Richard Ellis Services' acquisition of REI, Ltd. and Hillier Parker May and Rowden.

Segment Operations

CB Richard Ellis Services provides integrated real estate services through three global business segments: transaction management, financial services and management services. The factors for determining the reportable segments were based on (1) the type of service and client and (2) the way the chief operating decision-makers organize segments internally for making operating decisions and

assessing performance. The transaction management segment consists of sales, leasing and consulting services in connection with commercial real estate, transaction management and advisory services for large corporate clients and investment property services, including brokerage services for commercial real estate property marketed for sale to institutional and private investors. The financial services segment consists of commercial loan origination and servicing through CB Richard Ellis Services' wholly-owned subsidiary, L.J. Melody, investment management services through its wholly-owned subsidiary, CBRE Investors, and valuation and appraisal services. Management services provides facilities, property and construction management services. Results for the quarter ended March 31, 2001 for the financial services segment includes a $5.6 million nonrecurring pre-tax gain from the sale of mortgage fund management contracts. For the quarter ended March 31, 2000, the management services segment results included a $4.7 million nonrecurring pre-tax gain from the sale of certain non-strategic assets. The 2000 results for the financial services segment include a $5.3 million pre-tax gain from the sale of loan servicing rights. The 1999 results include a nonrecurring pre-tax gain from the sale of five non-strategic offices and a risk management operation totaling $8.7 million. In July 1999, CB Richard Ellis Services changed its segment reporting from four segments to three segments. Prior periods have been restated to conform to the new segmentation. The following table summarizes CB Richard Ellis Services' revenue, operating income, EBITDA, excluding merger-related and other nonrecurring charges and EBITDA margin by operating segment for the years ended December 31, 1998, 1999 and 2000, and for the quarters ended March 31, 2000 and March 31, 2001:

<TABLE>
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	Year Ended December 31,						Three Months Ended March 31,			
	1998		1999		2000		2000		2001	
	(dollars in thousands)									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Transaction Management										
Revenue:										
Leases	$352,811	46.2%	$426,108	48.4%	$510,287	53.7%	$94,304	52.8%	$ 97,215	54.0 %
Sales	330,206	43.3	383,726	43.5	378,486	39.8	71,922	40.3	70,303	39.1
Other consulting and referral fees (1)	79,934	10.5	71,095	8.1	61,479	6.5	12,233	6.9	12,463	6.9
Total revenue	762,951	100.0	880,929	100.0	950,252	100.0	178,459	100.0	179,981	100.0
Costs and expenses:										
Commissions, fees and other incentives	405,393	53.1	477,057	54.2	542,248	57.1	94,912	53.2	101,622	56.5
Operating, administrative and other	262,604	34.4	314,814	35.7	303,357	31.9	73,965	41.4	76,342	42.4
Depreciation and amortization	13,722	1.8	20,676	2.3	21,342	2.2	4,951	2.8	6,147	3.4
Operating income (2)	$ 81,232	10.7%	$ 68,382	7.8%	$ 83,305	8.8%	$ 4,631	2.6%	$ (4,130)	(2.3)%
EBITDA	$ 94,954	12.5%	$ 89,058	10.1%	$104,647	11.0%	$ 9,582	5.4%	$ 2,017	1.1 %
Financial Services										
Revenue:										
Appraisal fees	$ 48,090	33.1%	$ 69,007	38.9%	$ 72,861	34.0%	$15,941	38.5%	$ 18,368	32.8 %
Loan origination and servicing fees	39,402	27.1	45,938	25.9	58,188	27.2	9,230	22.3	14,812	26.5
Investment management fees	32,591	22.4	27,323	15.4	40,433	18.9	6,717	16.2	7,969	14.3
Other (1)	25,167	17.4	35,059	19.8	42,622	19.9	9,509	23.0	14,770	26.4
Total revenue	145,250	100.0	177,327	100.0	214,104	100.0	41,397	100.0	55,919	100.0
Costs and expenses:										
Commissions, fees and other incentives	41,491	28.6	59,294	33.5	65,058	30.4	12,207	29.5	15,743	28.2
Operating, administrative and other	85,885	59.1	100,201	56.5	119,333	55.7	25,405	61.4	30,081	53.8
Depreciation and amortization	11,025	7.6	10,719	6.0	12,001	5.6	2,980	7.2	3,246	5.8
Operating income (2)	$ 6,849	4.7%	$ 7,113	4.0%	$ 17,712	8.3%	$ 805	1.9%	$ 6,849	12.2 %
EBITDA	$ 17,874	12.3%	$ 17,832	10.1%	$ 29,713	13.9%	$ 3,785	9.1%	$ 10,095	18.1 %
Management Services										
Revenue:										
Property management										

fees	$ 67,300	53.3%	$ 79,994	51.7%	$ 83,251	52.3%	$19,234	46.8%	$ 20,337	55.6 %
Facilities management fees	17,219	13.6	25,597	16.5	23,069	14.5	5,291	12.9	6,881	18.8
Other (1)	41,783	33.1	49,192	31.8	52,928	33.2	16,538	40.3	9,380	25.6
Total revenue	126,302	100.0	154,783	100.0	159,248	100.0	41,063	100.0	36,598	100.0
Costs and expenses:										
Commissions, fees and other incentives	11,579	9.2	22,938	14.8	27,333	17.2	6,844	16.7	7,033	19.2
Operating, administrative and other	100,305	79.4	121,366	78.4	115,791	72.7	27,778	67.6	27,656	75.6
Depreciation and amortization	7,438	5.9	9,075	5.9	9,856	6.2	2,638	6.4	2,303	6.3
Operating income (2)	$ 6,980	5.5%	$ 1,404	0.9%	$ 6,268	3.9%	$ 3,803	9.3%	$ (394)	(1.1)%
EBITDA	$ 14,418	11.4%	$ 10,479	6.8%	$ 16,124	10.1%	$ 6,441	15.7%	$ 1,909	5.2 %
Merger-related and other nonrecurring charges	$ 16,585		$ --		$ --					
Total operating income	$ 78,476		$ 76,899		$107,285		$ 9,239		$ 2,325	
Total EBITDA, excluding merger-related and other nonrecurring charges	$127,246(/3/)		$117,369		$150,484		$19,808		$ 14,021	

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(1) Revenue is allocated by material line of business specific to each segment. "Other" includes types of revenue that have not been broken out separately due to their immaterial balances and/or nonrecurring nature within each segment. Certain revenue types disclosed on the consolidated statements of operations may not be derived directly from amounts shown in this table.

(2) Segment operating income excludes merger-related and other nonrecurring charges.

(3) EBITDA, excluding merger-related and other nonrecurring charges, for the year ended December 31, 1998 is calculated as the sum of operating income of $78.5 million, merger-related and other nonrecurring charges of $16.6 million and depreciation and amortization of $32.2 million.

Quarter Ended March 31, 2001 Compared to Quarter Ended March 31, 2000

Transaction Management

Revenue increased by $1.5 million or 0.9% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000. This increase was primarily due to higher lease revenue in North America as a result of a greater number of total transactions executed during the quarter ended March 31, 2001, as well as a larger dollar average per transaction. This was offset by a 2.3% drop in sales revenue primarily due to lower revenue in France. In addition, Singapore had reduced sales revenue due to a lower number of deals completed as a result of economic and political problems in neighboring countries. These decreases were slightly offset by a greater number of investment property sales within North America. Commissions, fees and other incentives increased by $6.7 million or 7.1% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000, primarily due to the increased lease and sales revenue within the North American operations. The overall revenue growth also resulted in higher variable commission expense within the North American operation compared to the prior year. Producers earn an increased percentage of commissions as certain revenue targets are met. Insurance and benefits for producers, which are a component of commission expense, increased primarily in the United States compared to the quarter ended March 31, 2000. In addition, producer compensation within the international operations is typically fixed in nature and do not decrease as a result of lower revenue. These factors contributed to an increase in commissions as a percentage of revenue from 53.2% to 56.5% for the quarter ended March 31, 2001. Operating, administrative, and other increased by $2.4 million or 3.2% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000. This increase is mainly related to higher personnel requirements, increased insurance and benefit costs, and current quarter compensation expense related to the deferred compensation plan retention program within North America.

Financial Services

Revenue increased by $14.5 million or 35.1% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000. Loan origination and servicing fees increased by $5.6 million. Excluding any acquisitions, loan origination fees increased by $5.0 million or 54.2% over the quarter ended

March 31, 2000, while loan servicing fees increased slightly compared to the quarter ended March 31, 2000. Appraisal fees increased by $2.4 million. Investment management fees increased 18.6% as assets under management grew by $868.3 million as compared to the quarter ended March 31, 2000. Other revenue increased by $5.3 million due to the gain on the sale of mortgage fund management contracts during the current quarter. Commissions, fees and other incentives increased by $3.5 million or 29.0% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000 due to higher loan and appraisal commissions as a result of the increased revenues. Operating, administrative and other increased by $4.7 million or 18.4% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000. This increase is primarily due to the start-up of the investment management operations in Asia Pacific during 2000, which as a result, had limited activity compared to the current period. The mortgage banking line of business had higher personnel, bonus and long-term incentive costs attributable to the more favorable quarter ended March 31, 2001 results. In addition, earnings from unconsolidated subsidiaries decreased for the quarter ended March 31, 2001 as compared to the quarter ended March 31, 2000.

Management Services

Revenue decreased by $4.5 million or 10.9% for the quarter ended March 31, 2001, compared to the quarter ended March 31, 2000. Other revenue decreased by $7.2 million due to the gain on the sale of certain non-strategic assets in the quarter ended March 31, 2000. The decline in other revenue is also the result of the contribution of an engineering services group into a separately owned joint venture during April 2000, as well as the sale of other non-strategic assets during the prior year. This operation generated $1.8 million of revenue during the first quarter of 2000. This was offset by increased property and facility management fees primarily due to higher square footage managed in the United States and India.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Transaction Management

Revenue increased by $69.3 million or 7.9% for the year ended December 31, 2000, compared to the year ended December 31, 1999. This increase was primarily due to higher lease revenue in North America as a result of a greater number of total transactions executed during 2000, as well as a larger dollar average per transaction. Europe reported increased lease revenues primarily due to strong performances in France and the United Kingdom, as well as expanded operations in Netherlands and Spain. Increased lease revenues in Asia Pacific are due to a better overall economy in China, as well as improved financial performance in Australia. Sales revenues decreased slightly from the prior year, primarily due to higher interest rates and a weak currency in Australia. Commissions, fees and other incentives increased by $65.2 million or 13.7% for the year ended December 31, 2000, compared to the year ended December 31, 1999, primarily due to an increase in lease revenues. In addition, the overall revenue growth resulted in a higher variable commission expense compared to prior year. Commissions are directly correlated to revenue in the transaction management segment. During 1999, the commission program was amended to increase the percentage of revenue a producer can earn as commission as the producer meets certain revenue targets. Under the new program, when a producer achieves a revenue target, the percentage of commission increases on a retroactive basis. As a producer achieves each revenue target, the percentage of commission increases on a retroactive basis. This motivates producers to reach higher revenue targets. During 2000, a greater number of producers generated a larger proportion of revenue at the higher revenue targets. This contributed to an increase in commissions as a percentage of revenue from 54.2% to 57.1% for 2000. Operating, administrative and other decreased by $11.5 million or 3.6% for the year ended December 31, 2000, compared to the year ended December 31, 1999. This decrease is mainly related to lower personnel requirements in North America due to cost containment measures, as well as higher equity income from unconsolidated subsidiaries during 2000. This is slightly offset by increased bonus incentives and profit share due to the more favorable results.

Financial Services

Revenue increased by $36.8 million or 20.7% for the year ended December 31, 2000, compared to the year ended December 31, 1999. Investment management fees grew by 48.0% due to a higher volume of managed assets, as well as increased incentive fees from several properties in North America and Asia. Loan origination and servicing fees increased by $12.3 million, of which $3.7 million is attributable to the acquisitions of Boston Mortgage Capital Corporation in late 2000 and Eberhardt Company in late 1999. In addition, excluding any acquisitions, loan production fees increased by $5.9 million or 18.4% over prior year, while loan servicing fees increased by $2.6 million or 21.7%. Other revenue increased due to the acquisition of several small consulting companies in late 1999 and early 2000. Commissions, fees and other incentives increased by $5.8 million or 9.7% for the year ended December 31, 2000, compared to the year ended December 31, 1999, due primarily to higher loan commissions. Operating, administrative and other increased by $19.1

million or 19.1% for the year ended December 31, 2000, compared to the year ended December 31, 1999, mainly due to increased personnel requirements as a result of expanded investment management operations in North America and Asia Pacific and higher bonus incentives and profit share attributable to the more favorable current year results. In addition, earnings from unconsolidated subsidiaries decreased for 2000 as compared to the same period in the prior year. The 2000 results for the financial services segment include a $5.3 million pre-tax gain from the sale of loan servicing rights.

Management Services

Revenue increased by $4.5 million or 2.9% for the year ended December 31, 2000, compared to the year ended December 31, 1999, due to higher lease and sales revenues. In addition, property management fees increased primarily due to higher square footage managed in India and Australia. This was slightly offset by lower facilities management fees due to the loss of a major client at the beginning of 2000. Commissions, fees and other incentives increased by $4.4 million or 19.2% for the year ended December 31, 2000, compared to

the year ended December 31, 1999, attributable mainly to the higher sales and lease commissions. Operating, administrative and other decreased $5.6 million or 4.6% for the year ended December 31, 2000, compared to the year ended December 31, 1999. The decline is mainly due to lower personnel requirements due to cost containment measures and higher equity income in unconsolidated subsidiaries in North America. As a percentage of revenue, operating expenses decreased from 78.4% to 72.7% for 2000. The 2000 results include a $4.7 million pre-tax gain from the sale of certain non-strategic assets.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Transaction Management

Revenue increased by $118.0 million or 15.5% for the year ended December 31, 1999, compared to the year ended December 31, 1998, mainly due to the continued improvement of the real estate market, mainly in brokerage leasing services and the full year contribution of REI, Hillier Parker and the various other 1998 acquisitions. Commissions, fees and other incentives increased by $71.7 million or 17.7% for the year ended December 31, 1999, compared to the year ended December 31, 1998, primarily due to the increase in revenue. This also includes the impact of a new commission-based program which enables sales professionals to earn additional commission over a particular revenue threshold, as well as the full year contribution from REI, Hillier Parker and the various other 1998 acquisitions. Operating, administrative and other increased by $52.2 million or 19.9% for the year ended December 31, 1999, compared to the year ended December 31, 1998, primarily due to the full year inclusion of REI, Hillier Parker, and the various other 1998 acquisitions. Depreciation and amortization increased by $7.0 million or 50.7% for the year ended December 31, 1999, as compared to the year ended December 31, 1998, primarily as a result of additional investments in computer hardware and software to support the increase in new business.

Financial Services

Revenue increased by $32.1 million or 22.1% for the year ended December 31, 1999, compared to the year ended December 31, 1998. The increase in revenue is primarily due the full year contribution of REI, Hillier Parker and the various other 1998 acquisitions, resulting in increased appraisal and valuation fees. Commissions, fees and other incentives increased by $17.8 million or 42.9% for the year ended December 31, 1999, compared to the year ended December 31, 1998. The increase is primarily a result of the revenue increase. Operating, administrative and other increased by $14.3 million or 16.7% for the year ended December 31, 1999, compared to the year ended December 31, 1998, mainly as a result of the integration of REI, Hillier Parker and the various other 1998 acquisitions.

Management Services

Revenue increased by $28.5 million or 22.5% for the year ended December 31, 1999, compared to the year ended December 31, 1998, primarily due to growth in the facilities management businesses, as well as the full contribution of REI, Hillier Parker and the various other 1998 acquisitions. Commissions, fees and other incentives increased by $11.4 million or 98.1% for the year ended December 31, 1999, compared to the year ended December 31, 1998, due to the higher revenues as a result of the REI, Hillier Parker acquisitions and the various other 1998 acquisitions. Operating, administrative and other increased $21.1 million or 21.0% for the year ended December 31, 1999, compared to the year ended December 31, 1998, primarily related to the acquisitions of REI and Hillier Parker and the investment in infrastructure to expand the business. Depreciation and amortization increased by $1.6 million or 22.0% for the year ended December 31, 1999, as compared to the year ended December 31, 1998, primarily as a result of the acquisitions of REI, Hillier Parker and the various other 1998 acquisitions.

Quarterly Financial Information

A significant portion of CB Richard Ellis Services' revenue is seasonal. Historically, this seasonality has caused its revenue, operating income, net income and cash flow from operating activities to be substantially lower in the first three calendar quarters and higher in the fourth calendar quarter. The concentration of earnings and cash flow in the fourth quarter is due to an industry wide focus on completing transactions at year-end while incurring constant, non-variable expenses throughout the year. This has historically resulted in a small operating loss in the first quarter, a small operating profit or loss in the second and third quarters, and a larger profit in the fourth quarter.

The following table presents CB Richard Ellis Services' revenue, gross profit, operating income and EBITDA by operating segment for each of the nine quarters in the period from January 1, 1999 through March 31, 2001. The information for each of these quarters is unaudited and has been prepared on the same basis as CB Richard Ellis Services' audited consolidated financial statements appearing elsewhere in this prospectus. In the opinion of management, all necessary adjustments, consisting only of normal recurring adjustments, have been included to present fairly the unaudited quarterly results when read in conjunction with CB Richard Ellis Services' audited consolidated financial statements and related notes appearing elsewhere in this prospectus.

<TABLE>
<CAPTION>

	Quarter Ended								
	Mar. 31, 1999	June 30, 1999	Sept. 30, 1999	Dec. 31, 1999	Mar. 31, 2000	June 30, 2000	Sept. 30, 2000	Dec. 31, 2000	Mar. 31, 2001
	(in thousands)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue									
Transaction management	$159,135	$198,171	$225,099	$298,524	$178,459	$230,222	$232,695	$308,876	$179,981
Financial services	37,945	41,802	42,923	54,657	41,397	51,375	56,139	65,193	55,919
Management services	36,121	37,194	38,996	42,472	41,063	36,287	37,687	44,211	36,598
Total revenue	$233,201	$277,167	$307,018	$395,653	$260,919	$317,884	$326,521	$418,280	$272,498
Year to year revenue growth percentage	33.1%	8.6%	12.1%	19.8%	11.9%	14.7%	6.4%	5.7%	4.4%
Operating Income (Loss)									
Transaction management	$ 2,337	$ 13,776	$ 20,826	$ 31,443	$ 4,631	$ 18,344	$ 17,261	$ 43,069	$ (4,130)
Financial services	2,955	1,753	(344)	2,749	805	4,578	6,590	5,739	6,849
Management services	(216)	1,051	(436)	1,005	3,803	(377)	1,033	1,809	(394)
Total operating income	$ 5,076	$ 16,580	$ 20,046	$ 35,197	$ 9,239	$ 22,545	$ 24,884	$ 50,617	$ 2,325
Operating margin percentage	2.2%	6.0%	6.5%	8.9%	3.5%	7.1%	7.6%	12.1%	0.9%
EBITDA									
Transaction management	$ 6,951	$ 19,139	$ 26,595	$ 36,373	$ 9,582	$ 23,381	$ 23,213	$ 48,471	$ 2,017
Financial services	5,725	4,771	1,766	5,570	3,785	7,623	9,513	8,792	10,095
Management services	2,394	2,638	1,686	3,761	6,441	2,272	2,992	4,419	1,909
Total EBITDA	$ 15,070	$ 26,548	$ 30,047	$ 45,704	$ 19,808	$ 33,276	$ 35,718	$ 61,682	$ 14,021
EBITDA margin percentage	6.5%	9.6%	9.8%	11.6%	7.6%	10.5%	10.9%	14.7%	5.1%

</TABLE>

Liquidity and Capital Resources

CB Richard Ellis Services' principal capital requirements are to fund working capital needs, to meet required debt payments, to make co-investments in real estate funds where it acts as general partner, to make other

investments in real estate related activities, to upgrade technology and computers and the facilities of its offices and to make small acquisitions.

CB Richard Ellis Services' Historical Liquidity and Capital Resources

Operating Cashflows. Net cash used in operating activities for the first quarter of 2001 was $104.3 million, an increase of $36.7 million over the first quarter of 2000 mainly due to increased payments for 2000 bonuses and profit sharing, made in the current quarter. This increase is due to CB Richard Ellis Services' better financial

results for 2000 as compared to 1999. Income tax payments also increased by $9.2 million during the quarter ended March 31, 2001. CB Richard Ellis Services' operating cashflow increased by $10.1 million in 2000 over the year ended 1999, primarily due to higher net income adjusted for non-cash items. In addition, receivables increased at a lower rate during 2000, due to a greater emphasis on receivable collections.

Investing Cashflows. CB Richard Ellis Services utilized $0.5 million for investing activities during the first quarter of 2001, compared to cash provided of $6.3 million in the first quarter of 2000. During the year ended 2000, it utilized $35.7 million for investing activities, an increase of $9.0 million over the prior year. This increase was primarily due to its $21.0 million investment in several technology companies as part of its overall e-business strategy. CB Richard Ellis Services' e-investment strategy is designed to improve internal business operations with resulting cost savings through paperwork reduction, to improve service delivery to clients and to create value in growth businesses that will flow back to us. In addition, as of March 31, 2001, it had committed an additional $40.6 million to fund future co-investments. CB Richard Ellis Services' participation in real estate transactions through co-investment activity could increase fluctuations in its earnings and cash flow.

During the quarter ended March 31, 2001, CB Richard Ellis Services received $6.1 million in proceeds primarily from the sale of mortgage fund management contracts. Proceeds for the quarter ended March 31, 2000 totaled $11.3 million due to the sale of certain non-strategic assets in the management services segment, as well as the receipt of proceeds in 2000 from the 1999 sale of a risk management operation. During the year ended 2000, it received $17.5 million in proceeds primarily from the sale of select assets within the management services segment, the sale of loan servicing rights and the receipt of proceeds in 2000 from the 1999 sale of a risk management operation. This was slightly lower than the 1999 proceeds of $19.4 million received. This included $7.4 million received from the sale of inventoried property, plus $12.1 million primarily received from the sale of the headquarters building in downtown Los Angeles, California, and a small office building in Phoenix, Arizona.

In addition, capital expenditures increased by $2.1 million from the quarter ended March 31, 2000 to the quarter ended March 31, 2001. However, capital expenditures decreased from $35.1 million for the year ended December 31, 1999, to $26.9 million in the year ended December 31, 2000. Capital expenditures for 1998 totaled $29.7 million. Expenditures in 2000 mainly related to the purchase of computer hardware and software. Higher purchases in 1999 as compared to 2000 and 1998 related to CB Richard Ellis Services' efforts to prepare for year 2000 computer hardware and software systems issues. CB Richard Ellis Services expects to have capital expenditures ranging from $20 to $25 million in 2001.

Financing Cashflows. Net cash provided by financing activities was $104.9 million for the quarter ended March 31, 2001, compared to $58.8 million for the quarter ended March 31, 2000, and was mainly attributable to an increased balance in CB Richard Ellis Services' revolving credit facility, used primarily to fund the payment of bonuses and profit sharing. Net cash used in financing activities was $53.5 million for the year ended December 31, 2000, compared to $37.7 million for the year ended December 31, 1999, and was mainly attributable to the repayment of debt. From time to time, CB Richard Ellis Services has purchased stock on the open market to fulfill its obligations under stock option, deferred compensation and other similar stock-based compensation plans. For the year ended December 31, 2000, CB Richard Ellis Services repurchased 185,800 shares of common stock for $2.0 million in order to minimize the dilutive effect of its obligation to issue stock under the deferred compensation plan. During 1999, CB Richard Ellis Services repurchased a total of 397,450 shares of common stock for $5.0 million to minimize the dilution from the grant of options and stock purchase rights. The 1999 stock repurchase program was completed on January 5, 2000. As a result of the merger and the related adjustments to the deferred compensation plan, CB Richard Ellis Services does not currently have any plans to make future purchases of shares of its common stock to fulfill obligations under its employee compensation plans.

Outlook. During the first quarter of 2001, the U.S. economy in general and certain local and regional U.S. economies in particular continued to experience economic softness. Many businesses, including CB

Richard Ellis Services' customers, have implemented staff reductions and delayed or curtailed their plans and commitments with respect to their commercial real estate needs. Additionally, lease rates in various regions, particularly those with a concentration in the telecommunication and technology industries, began to decline.

CB Richard Ellis Services' first quarter results reflected a strong January followed by a slowdown in its U.S. sales activities beginning in February and a slowdown in U.S. lease activities beginning in March, as well as lower than expected revenues in Europe and Asia Pacific. This weakness in sales and lease activities has continued into the second quarter. Internal results indicate that CB Richard Ellis Services' operating results for the second quarter ending June 30, 2001 will be considerably below its operating results for the second quarter ending June 30, 2000.

Following its last major cost reduction program in 1999, CB Richard Ellis Services has continued to evaluate its operating expenses relative to its performance. In response to the continued weakness described above, CB Richard Ellis Services has formulated a new cost reduction program in May 2001 to reduce operating expenses. This program is currently being implemented with work force reductions expected to be completed during the third quarter. This program is expected to reduce budgeted expenses for the remainder of the year 2001 by between approximately $35 to $40 million, excluding one-time severance costs. Expense reductions will occur in three areas with the following estimated cost reductions for the remainder of 2001:

- a reduction in work force combined with a hiring freeze, which are expected to yield a savings of approximately $8 to $10 million;
- a reduction in the bonuses for senior managers worldwide, which is expected to yield a savings of approximately $20 million; and
- a reduction in other operating and back office expenses, which is expected to yield a savings of approximately $7 to $10 million.

In addition, in the second quarter, CB Richard Ellis Services wrote off its $2.9 million investment in Eziaz, which has recently declared bankruptcy.

Liquidity and Capital Resources After the Merger

Financing to be Obtained in Connection with the Merger. In connection with the merger and related transactions, CB Richard Ellis Services will enter into a senior secured credit agreement with Credit Suisse First Boston and other lenders and borrow up to $225.0 million in term loans under this agreement. The credit agreement will also include a $100.0 million revolving credit facility, a portion of which will be drawn upon at the time of the merger. In addition, we will issue and sell at least $65.0 million aggregate principal amount of 16% senior notes due 2011 and related Class A common stock to DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock. Also in connection with the merger, CB Richard Ellis Services will assume $229 million aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 of BLUM CB Corp., which were issued and sold for approximately $225.6 million on June 7, 2001. The net proceeds from the sale of those notes by BLUM CB Corp. are currently being held in an escrow account and will be released when the merger is completed. If the merger had occurred on March 31, 2001, on a pro forma basis we would have incurred an aggregate of $554.0 million of indebtedness, excluding any additional borrowings under the revolving credit facility that would have been required to finance our working capital needs.

Also in connection with the merger, the BLUM Funds will make a cash contribution to CBRE Holding of at least approximately $40.9 million. The BLUM Funds have agreed to purchase for cash immediately prior to the merger a minimum of 2,553,879 shares of CBRE Holding Class B common stock at $16.00 per share. In addition, the BLUM Funds have agreed to purchase for $16.00 per share in cash an additional number of shares of Class B common stock equal to (1) 3,236,639 shares minus (2) the number of shares subscribed for in the offerings plus (3) the aggregate amount of full-recourse notes delivered by designated managers in payment for shares of Class A common stock divided by $16.00. The number of shares purchased by the BLUM Funds will

be reduced by 241,885 shares, which is the sum of the 10 shares of CBRE Holding common stock initially owned by RCBA Strategic and the 241,875 shares of CBRE Holding common stock purchased by RCBA Strategic for $16.00 per share in connection with the closing of the sale of 11 1/4% senior subordinated notes by BLUM CB Corp. as described above. The proceeds from the sale of those shares to RCBA Strategic were contributed to BLUM CB Corp., which deposited the proceeds in an escrow account for release when the merger and related transactions are completed. If the offerings of shares of our Class A common stock and stock fund units being made by this prospectus are fully subscribed, CBRE Holding expects to receive net cash proceeds of approximately $33.7 million after the payment of fees and expenses associated with the offerings.

Using a portion of the proceeds from the sale of the senior notes and related Class A common stock and the 11 1/4% senior subordinated notes, the borrowings under the new credit agreement and the proceeds from the sale of our Class B common stock to the BLUM Funds and our Class A common stock in the offerings, CB Richard Ellis Services will repay substantially all of its long-term indebtedness outstanding immediately prior to the merger. The repaid indebtedness of CB Richard Ellis Services will include the amounts outstanding under its existing credit agreement.

On May 25, 2001, CB Richard Ellis Services commenced a consent solicitation to amend the indenture governing its outstanding 8 7/8% senior subordinated notes and a tender offer to purchase all of its outstanding 8 7/8% senior subordinated notes. Any holders that consent to the amendment of the indenture and agree to sell their 8 7/8% senior subordinated notes will be paid at the time of the merger, and all 8 7/8% senior subordinated notes that are not tendered for payment will remain outstanding after the merger. The total outstanding amount of 8 7/8% senior subordinated notes remaining at the time of the merger will reduce the amount of the term loans that we incur under the new senior secured credit agreement by an equivalent amount. At 5:00 p.m. New York City time on June 8, 2001 the consent solicitation period for the 8 7/8% senior subordinated notes expired. As of that time, a majority of the holders of 8 7/8% senior subordinated notes had consented to the amendments to the indenture and had tendered their notes. Accordingly, CB Richard Ellis Services intends promptly to execute a supplemental indenture, which will include amendments that substantially modify or eliminate the restrictive covenants in the indenture. Also on June 8, 2001 CB Richard Ellis Services extended its offer to purchase the 8 7/8% senior subordinated notes through 12:00 noon New York City time on July 18, 2001.

Also using a portion of the proceeds described above CB Richard Ellis Services will pay $16.00 in cash per share of CB Richard Ellis Services' common stock that is outstanding at the time of the merger and not owned by the buying group, as well as cash to holders of options to acquire shares of CB Richard Ellis Services common stock that agree to have their options canceled in exchange for a cash payment. We estimate that the aggregate amount of cash that CB Richard Ellis Services will pay to holders of its common stock and options in connection with the merger will be approximately $201.0 million.

Financing Our Operations after the Merger. After the closing of the merger, we expect to finance our operations, non-acquisition related capital expenditures, employee compensation plan obligations and long-term indebtedness repayment obligations described below primarily with internally generated cash flow and borrowings under the new revolving credit facility of CB Richard Ellis Services. We expect to fund our future acquisitions, if any, that require cash with internally generated cash flow, but any such acquisition may require new sources of capital such as the issuance of additional debt or equity. We anticipate that our existing sources of liquidity, including cash flow from operations, will be sufficient to meet our anticipated non-acquisition cash requirements for the foreseeable future and in any event for at least the next twelve months. Because the BLUM Funds have agreed in the contribution and voting agreement to make a cash contribution to us equal to the amount that the offerings being made by this prospectus are not subscribed for, we are not dependent upon the success of the offerings being made by this prospectus to maintain adequate liquidity.

During the year 2002, we estimate that our non-operations capital expenditures will be no greater than $20 million and that we will fund approximately $20 million of co-investments in connection with our real estate investment management business. We anticipate that our existing sources of liquidity, including cash flow from operations, will be sufficient to fund these capital expenditures and co-investments.

Restrictions in Documents Governing our Long-Term Indebtedness. The terms of the documents governing our long-term indebtedness that will be outstanding after the merger will impose significant restrictions on the operation of our

business, including our financing activities. The new credit agreement will contain numerous restrictive covenants that, among other things, limit our ability to incur or repay other indebtedness, make advances or loans to our subsidiaries and other entities, make capital expenditures, incur liens securing indebtedness of CBRE Holding, enter into mergers or effect other fundamental corporate transactions, sell our assets or declare dividends. In addition, we will be required to meet financial ratios relating to our adjusted net worth, level of indebtedness, fixed charges and interest coverage. The indentures for our senior notes and the senior subordinated notes due 2011 will also include limitations on our ability to incur or repay indebtedness, make advances or loans to our subsidiaries and other entities, incur liens securing indebtedness of CBRE Holding, enter into mergers or effect other fundamental corporate transactions, sell our assets or declare dividends. In addition, if we were to engage in a change of control transaction, as defined in the indentures governing the senior notes, the 8 7/8% senior subordinated notes and the 11 1/4% senior subordinated notes, either we or CB Richard Ellis Services would be required to make an offer to purchase all of the outstanding 11 1/4% senior subordinated notes, all of the outstanding 8 7/8% senior subordinated notes and all of the outstanding senior notes at a price of 101% of their outstanding principal amounts together with any accrued and unpaid interest.

Seasonal Working Capital Requirements. CB Richard Ellis Services' working capital borrowing requirements are very seasonal because its cash flow from operating activities has historically been lower in the first three calendar quarters than in the fourth calendar quarter. The seasonal variation in operating cash flow and working capital borrowing requirements results in part from a focus at year-end on completing sales and lease transactions that is consistent with the real estate industry and in part from the timing of the payment of cash bonuses to sales professionals and managers. While compensation expenses are accrued throughout the year, a substantial portion of the actual cash payments are made in the first quarter of the following fiscal year. As a result, working capital borrowing requirements are highest in the first two quarters of the fiscal year and have historically decreased beginning in the third quarter. In addition, our new $100 million revolving credit facility requires that we have no outstanding borrowings under the facility during a period of 45 days commencing on any day chosen by us in the month of December each year. After giving effect to the merger and the related financings on a pro forma basis as of December 31, 2000, we would have had $76.2 million of cash and no borrowings under the revolving credit facility. After giving effect to the merger transactions on a pro forma basis as of March 31, 2001, we would have had $1.5 million of cash and $35.0 million of borrowings under the revolving credit facility.

For the reasons described in the immediately prior paragraph, our working capital borrowings would be significantly higher and our available cash would be lower if pro forma effect to the merger and the related financings was made as of a date during our first or second quarters.

Deferred Compensation Plan Obligations. After the closing of the merger, we will have obligations under the CB Richard Ellis Services deferred compensation plan that will require future cash expenditures. Under the CB Richard Ellis Services deferred compensation plan, each participant may defer a portion of his or her compensation for distribution generally either after his or her employment with us ends or on a future date at least three years after the deferral election date.

The investment alternatives available to participants under the plan after the merger include, among others, two interest index fund alternatives and an insurance fund alternative. Under the first interest index fund alternative, all such allocations are credited with interest at the rate payable by us under CB Richard Ellis Services' principal credit agreement. Our unfunded obligations with respect to the first interest index fund totaled $18.3 million as of March 31, 2001 and new deferrals are no longer permitted into that fund. Under the second interest index fund alternative, which will begin accepting new deferrals prior to the merger, all deferrals are credited with interest at 10% per year for five years, or until distributed if earlier, and thereafter at a rate no lower than the rate CB Richard Ellis Services pays under its principal credit agreement. Under the insurance fund alternative, the participant can elect to have gain or loss on deferrals measured by one or more of

approximately 30 mutual funds. Historically, CB Richard Ellis Services has elected to transfer to a rabbi trust the full amount of deferrals into the insurance fund alternative and then hedged its obligations to the participants under the insurance fund alternative by actually buying a contract of insurance within which it has premiums invested in the mutual funds which participants have elected to measure the value of their deferred compensation.

We expect to fund the after-tax cost of these future distributions under the two interest index alternatives with internally generated cash flow and borrowings under our new revolving credit facility. With respect to existing

deferrals under the insurance fund alternative, we expect future distributions to be satisfied by the contracts of insurance that we have purchased. However, in the future, to the extent we do not fully fund our obligations under the insurance fund alternative with an insurance contract and transfers into the rabbi trust, we would need to fund future distributions with internally generated cash flow and borrowings under our new revolving credit facility.

Because a substantial majority of the deferrals under the deferred compensation plan have a distribution date based upon the end of the relevant participant's employment with us, we have an on-going obligation to make distributions to these participants as they leave our employment. Because the level of employee departures is not predictable, the timing of these obligations is also not predictable. Accordingly, we may face significant unexpected cash funding obligations in the future under our deferred compensation plan if a larger number of our employees leave our employment than we expect.

401(k) Plan Obligations. After the closing of the merger, we may be required to make future cash expenditures as a result of legal requirements applicable to the CB Richard Ellis Services 401(k) plan. Under the 401(k) plan, generally upon a participant's termination of employment with us, including as a result of retirement, the participant may elect to receive the cash value of his or her investments in the plan. Accordingly, if a participant owns shares of our common stock that are held in the plan and becomes entitled to receive a distribution under the plan, the participant may require the plan trustee to sell those shares and distribute the cash proceeds. However, there will not be a market for our common stock after the merger, so we will be obligated under applicable law to purchase the shares at fair market value so the required cash distribution may occur.

Repayment of Long-Term Indebtedness. The $65 million principal amount of 16% senior notes that we will issue in connection with the merger will become due and payable in 2011. The $229.0 million principal amount of the 11 1/4% senior subordinated notes offering will become due and payable in 2011. Any remaining outstanding principal amount of CB Richard Ellis Services' existing 8 7/8% senior subordinated notes after the tender offer for those notes will become due and payable in 2006. Any amounts outstanding under the revolving credit facility under the new credit agreement will be due and payable on the sixth anniversary of the merger. Under the terms of the revolving credit facility, no amounts can be outstanding as of December 31 of each year. Assuming that none of CB Richard Ellis Services' existing 8 7/8% senior subordinated notes remain outstanding after the merger and assuming a closing date during the third quarter of 2001, the principal amount of the up to $225.0 million of term loans under the new credit agreement will become due and payable under the following schedule:

<TABLE>
<CAPTION>

Year	Amount Due
<S>	<C>
2001	$ 4.6 million
2002	9.3 million
2003	9.9 million
2004	10.5 million
2005	10.5 million
2006	10.5 million
2007	6.1 million
2008	163.6 million

</TABLE>

Recent Acquisitions

During 2000, CB Richard Ellis Services acquired five companies with an aggregate purchase price of $3.4 million in cash, $0.7 million in notes, plus additional payments over the next five years based on acquisition earnout agreements. These payments will supplement the purchase price and be recorded as additional goodwill. The most significant acquisition in 2000 was the purchase of Boston Mortgage Capital Corporation through L.J. Melody for $2.1 million plus supplemental payments based on an acquisition earnout agreement. Boston Mortgage provides further mortgage banking penetration into the northeast. It services approximately $1.8 billion in loans covering roughly 175 commercial properties throughout New England, New York and New Jersey.

During 1999, CB Richard Ellis Services acquired four companies with an aggregate purchase price of approximately $13.8 million. The two significant acquisitions were Eberhardt Company, which was acquired in September 1999 through L.J. Melody for approximately $7.0 million and Profit Nordic which was acquired in the first quarter of 1999 through CB Richard Ellis Services Profit Acquisition Corp., formerly Koll Tender III, for approximately $5.5 million.

In 1998, CB Richard Ellis Services made several large acquisitions. In April

1998, CB Richard Ellis Services purchased all of the outstanding shares of REI, an international commercial real estate services firm operating under the name Richard Ellis in major commercial real estate markets worldwide, excluding the United Kingdom. The acquisition was accounted for as a purchase. The purchase price has largely been allocated to goodwill, which is amortized on a straight line basis over an estimated useful life of 30 years. The purchase price for REI was approximately $104.8 million of which approximately $53.3 million was paid in cash and notes and approximately $51.5 million was paid in shares of CB Richard Ellis Services' common stock. In addition, CB Richard Ellis Services assumed approximately $14.4 million of long-term debt and minority interest. CB Richard Ellis Services incurred a one-time charge of $3.8 million associated with the integration of REI's operations and systems into its own.

CB Richard Ellis Services also acquired the business of Hillier Parker in July 1998. This was a commercial property services partnership operating in the UK. The acquisition was accounted for as a purchase. The purchase price for Hillier Parker included approximately $63.6 million in cash and $7.1 million in shares of CB Richard Ellis Services' common stock. In addition, CB Richard Ellis Services assumed a contingent payout plan for key Hillier Parker employees with a potential payout over three years of approximately $13.9 million and assumed various annuity obligations of approximately $15.0 million. The purchase price has largely been allocated to goodwill which is amortized on a straight line bases over its estimated useful life of 30 years.

In September of 1998, CB Richard Ellis Services purchased the approximately 73.0% interest that it did not already own in CB Commercial Real Estate Group of Canada, Inc., now CB Richard Ellis Limited. CB Richard Ellis Services acquired the remaining interest for approximately $14.3 million in cash. The acquisition was accounted for as a purchase. The purchase price has been largely allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives ranging up to 30 years.

In October 1998, CB Richard Ellis Services purchased the remaining ownership interests that it did not already own in the Richard Ellis Australia and New Zealand businesses. The costs for the remaining interest was $20.0 million in cash. Virtually all of the revenue of these locations is derived from brokerage and appraisal services. The acquisition was accounted for as a purchase. The purchase price has largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives ranging up to 30 years.

CB Richard Ellis Services also made various smaller acquisitions throughout 1998.

Legal Proceedings

CB Richard Ellis Services and BLUM CB Corp. are party to a number of pending or threatened lawsuits arising out of, or incident to, our ordinary course of business. Currently, CB Richard Ellis Services is the defendant in several lawsuits filed by employees. These suits include claims of wrongful termination, failure to promote or other similar claims resulting from alleged gender discrimination or age discrimination. Management believes that any liability imposed on CB Richard Ellis Services that may result from disposition of these lawsuits or other lawsuits arising out of its ordinary course of business will not have a material effect on its consolidated financial position or results of operations.

In connection with the announcement of the merger transactions, CB Richard Ellis Services and BLUM CB Corp. have been subject to putative class action lawsuits. Between November 12 and December 6, 2000, five putative class actions were filed in the Court of Chancery of the State of Delaware in and for New Castle County by various stockholders against CB Richard Ellis Services, its directors and the buying group and their affiliates. A similar action was also filed on November 17, 2000, in the Superior Court of the State of California in and for the County of Los Angeles. These actions all alleged that BLUM CB Corp.'s offering price was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages.

The five Delaware actions were subsequently consolidated and a lead counsel appointed. As of February 23, 2001, the parties to the Delaware litigation entered into a memorandum of understanding in which they agreed in principle to a settlement. The memorandum provides, among other things:

- that the defendants admit no liability or wrongdoing whatsoever;
- that the buying group acknowledge that the pendency and prosecution of the Delaware litigation were positive contributing factors to its decision to increase the merger consideration;
- for the lead counsel for the plaintiff to have an opportunity to review the proxy statement before mailing;

- for the certification of a settlement class and the entry of a final judgment granting a full release of the defendants; and

- for attorneys' fees in an amount not to exceed $380,000.

Conditions to the settlement proposed by the memorandum include:

- negotiation and execution of a mutually acceptable stipulation of settlement;

- closing of the merger;

- dismissal of the Delaware and California litigation with prejudice; and

- completion by the plaintiffs of reasonable additional discovery as lead counsel reasonably believes is appropriate.

The parties may not be able to complete a mutually acceptable stipulation of settlement, and, if so, the litigation will continue, which could have a materially adverse impact on our ability to complete the merger. In addition, no agreements have been reached with respect to any settlement of the California litigation, and if this litigation continues, it could have a material adverse impact on our ability to complete the merger.

Euro Conversion Disclosure

A majority of the European Union member countries converted to a common currency, the "Euro," on January 1, 1999. The existing legacy currencies of the participating countries will continue to be acceptable until January 1, 2002. We do not expect the introduction of the Euro to have a significant impact on our market or the manner in which we conduct business and believe the related impact on our financial results will not be

material. Approximately 5% of our 2000 business was transacted in the participating member countries. CB Richard Ellis Services is currently using both the Euro and legacy currencies to conduct business in these member countries.

Net Operating Losses

CB Richard Ellis Services had U.S. federal income tax net operating losses, or NOLs, of approximately $16.3 million at December 31, 2000, corresponding to $5.7 million of our $60.3 million in net deferred tax assets before valuation allowances.

CB Richard Ellis Services' ability to utilize NOLs is currently limited by Section 382 of the Internal Revenue Code because it previously experienced an ownership change within the meaning of Section 382. As a result of the limitation, CB Richard Ellis Services will be able to use approximately $26.0 million of its NOL in 2000. The merger will likely cause another ownership change. Accordingly, for 2001, the $26.0 million limitation will be pro-rated based upon the number of days in the year before the merger. Any NOLs not utilized before the merger will be subject to annual limitation after the merger equal to the lesser of (1) $26.0 million or (2) the limitation resulting from the subsequent ownership change. In any event, we anticipate that the remaining $16.3 million of NOLs will be utilized in 2001.

Recent Accounting Pronouncements

In September 2000, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) SFAS 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. SFAS 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral established by SFAS 125. In addition, this statement is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. CB Richard Ellis Services does not perform these types of transactions. This statement is effective for all transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The adoption of SFAS 140 did not have a material impact on our results of operations and financial position.

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities-- Deferral of the Effective Date of FASB Statement No. 133, and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities--an Amendment of FASB Statement No. 133, which are effective for CB Richard Ellis Services beginning January 1, 2001. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and

losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The adoption of these pronouncements did not have a material impact on the consolidated financial statements at March 31, 2001.

Historically, CB Richard Ellis Services has not engaged in hedging transactions and it had no derivatives outstanding at March 31, 2001. In the future, however, CB Richard Ellis Services may engage in transactions to hedge the interest rates of its indebtedness as well as its foreign currency exposures. Therefore, these SFAS statements may impact its results of operations and financial position.

Quantitative and Qualitative Disclosures About Our Market Risk

Our exposure to market risk consists of foreign currency exchange rate fluctuations related to our international operations and changes in interest rates on most of our debt obligations.

During the quarter ended March 31, 2001, approximately 23% of CB Richard Ellis Services' business was transacted in local currencies of foreign countries. In the past CB Richard Ellis Services has attempted to

manage, and in the future expects to continue to manage, this exposure primarily by balancing monetary assets and liabilities and maintaining cash positions only at levels necessary for operating purposes in those countries. While our international results of operations as measured in dollars are subject to foreign exchange rate fluctuations, we do not consider the related risk to be material to our financial condition or results of operations. In the past CB Richard Ellis Services has routinely monitored, and in the future we expect to continue to monitor, the transaction exposure to currency rate changes and entered into currency forward and option contracts to limit the exposure, as appropriate. Gains and losses on contracts are deferred until the transaction being hedged is finalized. As of March 31, 2001, CB Richard Ellis Services had no outstanding contracts. Neither we nor CB Richard Ellis Services engage in any speculative activities.

After the merger, assuming the merger closes during the third quarter of 2001, much of our long-term indebtedness will bear variable rates of interest. Consistent with past practices of CB Richard Ellis Services, after the merger we will utilize sensitivity analyses to assess the potential effect of our variable rate debt. Giving pro forma effect to the merger transactions, if interest rates were to increase by 1% per annum the net impact would be a decrease of approximately $2.6 million on our annual pre-tax income and cash flow. Our expected fixed and variable long-term debt as of the closing of the merger are as follows:

<TABLE>
<CAPTION>

Year of Maturity	Fixed Rate	LIBOR Plus 3.25%	LIBOR Plus 3.75%	Sterling LIBOR Minus 1.5%	Total
<S>	<C>	<C>	<C>	<C>	<C>
2001	$ 1,161	$38,750	$ 875	$ --	$ 40,786
2002	1,057	7,500	1,750	1,501	11,808
2003	512	8,125	1,750	--	10,387
2004	128	8,750	1,750	--	10,628
2005	20	8,750	1,750	--	10,520
Thereafter	297,321	13,125	167,125	--	477,571
Total	$300,199	$85,000	$175,000	$1,501	$561,700
Weighted average interest rate	13.3%	8.6%	9.1%	4.8%	11.2%

</TABLE>

The table above assumes that all of the approximately $175.0 million aggregate principal amount of CB Richard Ellis Services' 8 7/8% Senior Subordinated Notes due 2006 are repurchased prior to the merger. In the event that some of these notes are not repurchased, the remaining outstanding principal amount would be due and payable in 2006 and the amount of our variable interest rate terms loans initially incurred under the new credit agreement would be decreased by an equivalent amount. Accordingly, in the event that any of the senior subordinated notes due 2006 remain outstanding after the merger, a portion of the indebtedness represented in the table above will be payable earlier than indicated above but will bear interest at a fixed rate instead of a variable rate. As of June 8, 2001, a majority of the holders of the 8 7/8% senior subordinated notes had tendered their notes.

Estimated fair values for our liabilities are not presented because they either are based on variable rates that approximate terms that we could obtain currently from other sources or they are liabilities to be entered into in connection with the merger that have recently negotiated rates that we believe represent the fair value of the related liabilities.

BUSINESS

As a result of the proposed merger, CB Richard Ellis Services would become our wholly-owned subsidiary. Our business after the merger will be the same business as that conducted by CB Richard Ellis Services and its subsidiaries before the merger, which we describe below.

Overview

CB Richard Ellis Services is the largest global commercial real estate services firm in terms of revenue offering a full range of services to commercial real estate occupiers, owners, lenders and investors. Through its 250 offices, it provides, under the CB Richard Ellis brand name and the CB Hillier Parker brand name in the United Kingdom, services on a local, national and international basis across approximately 100 markets in 44 countries. During 2000, CB Richard Ellis Services advised on approximately 25,000 lease transactions involving aggregate rents, under the terms of leases facilitated, of approximately $26.0 billion and approximately 7,500 sales transactions with transaction values totaling approximately $26.0 billion. Also during 2000, CB Richard Ellis Services managed approximately 516 million square feet of property, provided investment management services for $10.0 billion of assets, originated nearly $7.2 billion in loans, serviced $16.7 billion in loans, engaged in approximately 32,000 valuation/appraisal and advisory assignments and serviced approximately 1,400 subscribers with proprietary research. In addition, at March 31, 2001, CB Richard Ellis Services employed approximately 9,700 employees.

History. CB Richard Ellis Services was founded in 1906. It was formerly known as CB Commercial Real Estate Services Group, Inc., or CB Commercial, a holding company, organized on March 9, 1989 under the laws of the state of Delaware to acquire Coldwell Banker Commercial Group, Inc. This acquisition occurred on April 19, 1989. On November 25, 1996, CB Commercial completed an initial public offering of 4,347,000 shares of common stock. Prior to this public offering, CB Commercial was a reporting company as a result of an offering to employees under the Securities Act. On May 19, 1998, CB Commercial changed its name to CB Richard Ellis Services, Inc. which is now and we expect will continue to be a reporting company after the consummation of the merger transactions.

As part of its growth strategy, CB Commercial has undertaken various strategic acquisitions. In 1995, CB Commercial purchased Westmark Realty Advisors, L.L.C., which has been renamed CB Richard Ellis Investors, L.L.C., or CBRE Investors. CBRE Investors is a management and advisory business with approximately $10.0 billion of assets under management. In 1996, CB Commercial acquired L.J. Melody & Company, or L.J. Melody, a nationally-known mortgage banking firm. Then in 1997, CB Commercial acquired Koll Real Estate Services, or Koll, a real estate services company primarily providing property management services, corporate and facilities management services and asset and portfolio management services. The following year, CB Commercial purchased all of the outstanding stock of REI Limited, or REI, which owned and operated the internationally known real estate services firm of Richard Ellis in all the major commercial real estate locations in the world, other than the United Kingdom, or UK. REI's principal operations were in the Netherlands, France, Spain, Brazil, Australia, Hong Kong, including Taiwan, and the People's Republic of China, and Singapore. In 1998, CB Commercial also acquired the business of Hillier Parker May and Rowden, now known as CB Hillier Parker Limited or Hillier Parker, a commercial property services partnership operating in the UK. That same year, CB Richard Ellis Services purchased the approximately 73.0% interest that it did not already own in CB Commercial Real Estate Group of Canada, Inc. In 1998, CB Commercial acquired the remaining ownership interests in Richard Ellis Australia and New Zealand.

Nature of Operations. CB Richard Ellis Services is a holding company that conducts its operations primarily through approximately 75 direct and indirect operating subsidiaries. In the United States, it operates through CB Richard Ellis, Inc. and L.J. Melody, in the United Kingdom through Hillier Parker and in Canada through CB Richard Ellis Limited. CBRE Investors and its foreign affiliates conduct business in the United States, Europe and Asia Pacific. CB Richard Ellis Services operates through various subsidiaries in

approximately 44 countries and pursuant to cooperation agreements in several additional countries. For the quarter ended March 31, 2001 approximately 77% of its revenues were from the United States and 23% from the rest of the world.

CB Richard Ellis Services' operations are reported through three geographic divisions:

- The Americas consist of the U.S., Canada, Mexico and operations located in Central and South America. We also refer to the operations in Mexico, Central and South America as the Latin America operations.

- EMEA is an acronym for Europe, the Middle East and Africa. This operating group became part of our company through a series of acquisitions, most significantly Hillier Parker and REI.

- Asia Pacific consists of operations in Asia, Australia and New Zealand. These operations were acquired in part through the REI acquisition and in total through subsequent acquisitions.

See Note 11 of the Notes to Consolidated Financial Statements for financial data relating to its geographic regions, which is incorporated herein by reference.

A significant portion of CB Richard Ellis Services' revenue is seasonal. Historically, this seasonality has caused its revenue, operating income, net income and cash flow from operating activities to be lower in the first two calendar quarters and higher in the third and fourth calendar quarters of each year. The concentration of earnings and cash flow in the fourth quarter is due to an industry wide focus of completing transactions by year-end, while incurring constant, non-variable expenses throughout the year. This has historically resulted in lower profits or a loss in the first quarter, with profits growing in each subsequent quarter.

Business Segments

In July 1999, CB Richard Ellis Services undertook a reorganization to streamline its U.S. operations which resulted in a change in its segment reporting from four to three segments. CB Richard Ellis Services has eight primary lines of business which are aggregated, reported and managed through these three segments: transaction management, financial services and management services. The transaction management segment is the largest generator of revenue and operating income and includes brokerage services, corporate services and investment property activities. Total revenues generated by the transaction management segment relating to the leasing of commercial real estate were approximately $510.3 million for the year ended December 31, 2000, $426.1 million for the year ended December 31, 1999 and $352.8 million for the year ended December 31, 1998. Total revenues generated by the transaction management segment relating to the sales of commercial real estate were approximately $378.5 million for the year ended December 31, 2000, $383.2 million for the year ended December 31, 1999 and $330.2 million for the year ended December 31, 1998. The financial services segment provides commercial mortgage, valuation, investment management and consulting and research services. The management services segment provides facility management services to corporate real estate users and property management and related services to owners.

Information regarding revenues and operating income or loss, attributable to each of CB Richard Ellis Services' business segments is included in "Segment Operations" within the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and within Note 11 of the Notes to Consolidated Financial Statements which are incorporated herein by reference. Information concerning the identifiable assets of each of CB Richard Ellis Services' business segments is set forth in Note 11 of the Notes to Consolidated Financial Statements which is incorporated herein by reference.

Transaction Management

Under transaction management, CB Richard Ellis Services operates the following lines of business:

Brokerage Services. The brokerage services line of business provides sales, leasing and consulting services relating to commercial real estate. The brokerage services business line is the

largest business unit in terms of revenue, earnings and cash flow. This business is built upon relationships that CB Richard Ellis Services' employees establish with customers and because of this, we strive to retain top revenue producers through an attractive compensation program that motivates the sales force to achieve higher revenue production. Therefore, the most significant cost is commission expense which can be as high as 70% of the revenue generated by brokerage services. CB Richard Ellis Services is the largest competitor in the commercial brokerage business in terms of revenues and we believe that the CB Richard Ellis brand provides it with a competitive operating advantage. CB Richard Ellis Services employs approximately 2,300 individuals in offices located in most of the largest metropolitan areas in the U.S. and approximately 1,300

individuals in the rest of the world.

Operations. CB Richard Ellis Services maintains a decentralized approach to transaction management other than investment properties by bringing significant local knowledge and expertise to each assignment. Each local office draws upon the broad range of support services provided by the other business groups around the world, including an international network of market research, client relationships and transaction referrals which CB Richard Ellis Services believes provides it with significant economies of scale over local, national and international competitors. While day-to-day operations are decentralized, most accounting and financial functions are centralized.

Compensation. Under a typical brokerage services agreement, brokerage services is entitled to receive sale or lease commissions. Sale commissions, which are calculated as a percentage of sales price, are generally earned by this business line at the close of escrow. Internationally, sales commissions are earned upon completion of work with no existing contingencies. Sale commissions in the U.S. typically range from approximately 1% to 6% with the rate of commission declining as the price of the property increases. In the case of large investment properties of over $20 million, the commission is generally not more than 2%, declining to 0.5% for properties greater than $75 million. In the UK, commissions of 0.5% for a sale to .75% for a purchase are typical. Lease commissions in the U.S. and Canada, typically calculated either as a percentage of the minimum rent payable during the term of the lease or based upon the square footage of the leased premises, are generally earned by brokerage services at the commencement of a lease, which typically occurs on the tenant move-in date, unless significant future contingencies exist. In cases where a third-party brokerage firm is not involved, lease commissions earned by brokerage services for a new lease typically range between 2% and 6% of minimum rent payable under the lease depending upon the value of the lease. In the United Kingdom, the leasing commission is typically 10% of the first year's rent. For renewal of an existing lease, these fees are generally 50% of a new lease commission. In sales and leases where a third-party broker is involved, brokerage services must typically share 50% of the commission with the third-party broker. For 2000, in the United States, Canada and much of Australia, brokerage sales professionals received a 40% to 60% share of commissions before costs and expenses. In most other parts of the world, brokerage professionals receive a salary and a bonus, profit-share or a small commission, which in the aggregate approximate a 45% share of commissions earned by this business line.

Investment Properties. The investment properties line of business provides brokerage services for commercial real estate property marketed for sale to institutional and private investors.

Operations and Compensation. At March 31, 2001, this line of business employed approximately 500 individuals in offices located in the United States and about 240 individuals in the rest of the world. Compensation for this operation is similar to the brokerage line of business.

Corporate Services. The corporate services line of business focuses on building relationships with large corporate clients. The objective is to establish long-term relationships with clients that could benefit from utilizing corporate services broad suite of services and/or global presence. These clients are offered the opportunity to be relieved of the burden of managing their commercial real estate activities at a lower cost than they could achieve by managing it themselves. During 2000, the facilities management line of

business began operating under the same leadership as corporate services. See the section below titled "Management Services" for a description.

Operations. At March 31, 2001, this line of business employed approximately 415 individuals within the United States and over 80 individuals in the rest of the world. Corporate services include research and consulting, structured finance, project management, lease administration and transaction management. These services can be delivered on a bundled or unbundled basis involving other lines of business in a single market or in multiple markets around the globe. A typical corporate services agreement includes a stated term of at least one year and normally contains provisions for extension of the agreement.

Compensation. A typical corporate services agreement gives CB Richard Ellis Services the right to execute some or all of the client's future sales and leasing transactions and to receive other fees on a negotiated basis. The commission rate with respect to these

transactions frequently reflects a discount for the captive nature and large volume of the business. This business line is developing worldwide pricing to maximize integrated service delivery.

All of these business lines provide sales brokerage and leasing and real estate consulting services. Additionally, these business lines are motivated to cross-sell products and services from other business segments.

Financial Services

The financial services business segment is focused on providing commercial mortgage, valuation, investment advisory and research and consulting services. We believe that these business lines are complementary to the core businesses in the transaction management segment, offering reliable returns. A description of the principal lines of business in the financial services segment are as follows:

Mortgage Banking. The commercial mortgage business line provides commercial loan origination and loan servicing through CB Richard Ellis Services' wholly-owned subsidiary, L.J. Melody. The commercial mortgage business focuses on the origination of commercial mortgages without incurring principal risk. As part of its activities, L.J. Melody has established correspondent and conduit arrangements with investment banking firms, national banks, credit companies, insurance companies, pension funds and government agencies.

Under these arrangements, L.J. Melody originates mortgages into conduit programs where it makes limited representations and warranties based upon representations made by the borrower or another party. In some situations, L.J. Melody originates mortgages in its name and immediately sells them into a conduit program, referred to as "table funding," without principal risk. Mortgages originated for conduits may or may not have servicing rights. L.J. Melody originates mortgages in its name, without principal risk. It also services loans for Federal Home Loan Mortgage Corporation, Freddie Mac and Federal National Mortgage Association, Fannie Mae. L.J. Melody is also a major mortgage originator for insurance companies and pension funds having the right, as correspondent, to originate loans in their names and subsequently services the mortgage loans it originates. At March 31, 2001, L.J. Melody serviced mortgage loan portfolios of approximately $17.1 billion.

Operations. At March 31, 2001, L.J. Melody employed approximately 280 people located in 32 offices in the United States. L.J. Melody has no material mortgage banking operations outside of the United States. Its mortgage loan originations take place throughout the U.S. with support from L.J. Melody's headquarters in Houston, Texas. The mortgage loan servicing is handled primarily from the Houston, Texas headquarters with support from regional offices in Atlanta, Georgia; Minneapolis, Minnesota; Seattle, Washington; Boston, Massachusetts and Los Angeles, California.

Compensation. L.J. Melody typically receives origination fees, ranging from 0.5% for large insurance company and pension fund mortgage loans to 1.0% for most conduit and agency

mortgage loans. In situations where L.J. Melody services the mortgage loans it originates, L.J. Melody also receives a servicing fee between .03% and .25%, calculated as a percentage of the outstanding mortgage loan balance. These servicing agreements generally contain an evergreen provision which provides that the agreement remains in effect for an indefinite period, but enables the lender to terminate the agreement upon 30 days prior written notice, which L.J. Melody believes to be a customary industry termination provision. During 2000, a majority of the mortgage loan origination revenue was from agreements which entitled L.J. Melody to both originate and service mortgage loans. L.J. Melody also originates mortgage loans on behalf of conduits and insurance companies for whom it does not perform servicing. Its client relationships have historically been long-term. L.J. Melody pays its mortgage banking professionals a combination of salary, commissions and incentive-based bonuses, which typically average approximately 50% of loan origination fees earned.

Valuation and Appraisal Services. The valuation line of business provides valuation and appraisal services and market research. These services include market value appraisals, litigation support, discounted cash flow analysis and feasibility and fairness opinions.

Operations. The valuation business is one of the largest in its industry in the United States. Additional valuation services are provided internationally. At March 31, 2001, this business line had nearly 180 employees on staff in the U.S. and approximately 320 internationally. During 2000, it developed proprietary technology for preparing and delivering valuation reports to its clients. We believe

that this technology provides the valuation business line with competitive advantages over its rivals.

Compensation. The valuation business line earns most of its fees on a fixed-fee basis. Some consulting revenue is earned on an hourly basis.

Investment Management. The investment management line of business provides investment management and advisory services through CB Richard Ellis Services' wholly-owned affiliate CBRE Investors. It focuses on pension plans, investment funds, insurance companies and other organizations seeking to generate returns through investment in real estate related assets. CBRE Investors is often requested to "co-invest" with its clients for a percentage of the total fund. These co-investments range from 2-10% of the fund.

Operations. Operationally, each investment strategy is executed by a dedicated team with the requisite skill sets. At the present time there are seven dedicated teams. In the U.S. they are Fiduciary Services, low risk/return strategies, Strategic Partners, L.P., a value-added fund, Corporate Partners, LLC, corporate real estate strategies, and Global Innovation Partners, technology driven real estate and entry level strategies. Internationally they are CB Hillier Parker Investors (UK), low risk/return strategies, CBRE Investors Asia, value-added, and CBRE Investors Europe, value-added. Each team's compensation is driven largely by the investment performance of its particular strategy/team. This organizational structure is designed to align the interests of team members with those of its investor clients/partners, determine accountability and make performance the priority.

Dedicated teams share resources such as accounting, financial controls, information technology, investor services and research. In addition to the research within the CB Richard Ellis platform, which focuses primarily on market conditions and forecasts, CBRE Investors has an in-house team of research professionals that focuses on investment strategy and underwriting. At March 31, 2001 CBRE Investors and its foreign affiliates have approximately 130 employees located in the Los Angeles headquarters and in the regional office in Boston and over 35 employees internationally.

We believe that this business line provides strategic benefits to all of the lines of business by providing brokerage opportunities for assets under management and by being a natural fit for the

full range of services that CB Richard Ellis Services offers, including mortgage lending, appraisal and property management.

A key validation of this business occurred during the fourth quarter of 2000 when CBRE Investors were awarded the assignment to manage the CalPERS $500 million Global Innovation Partners Fund in which CB Richard Ellis Services will be making a co-investment of approximately $25 million. Under the program, the fund will make investments in real estate and real estate-related entities and capitalize on opportunities created from the convergence of the technology and real estate industries. We anticipate that we may benefit from the opportunity in several ways, including fees, return on our co-investment, return on a carried interest and significant cross-selling of services in relation to this program.

Compensation. Investment management fees can have up to three components. In chronological order, they are: (i) acquisition fees, (ii) annual portfolio management fees and (iii) incentive fees or profit sharing. Each fund or account will have two or three of these components. Fees are typically higher for sponsoring funds or joint ventures than managing separate accounts. Acquisition and annual portfolio management fees usually range between 0.5 to 1.0% of the purchase price in the United States and Asia. In the United Kingdom, annual fees on separate accounts are typically 0.05 to 0.1% of asset value. Incentive fees usually range between 10 and 20% of profit in excess of an agreed upon threshold return. With respect to CBRE Investors' new funds in the United States and all international investments, CB Richard Ellis Services also derives fees for ancillary services including purchase and sale brokerage, mortgage origination, property management and leasing brokerage.

Real Estate Market Research. We provide real estate market research services worldwide through CB Richard Ellis/Torto Wheaton Research, CB Richard Ellis/National Real Estate Index and CB Hillier Parker. Our research services include data collection and interpretation, econometric forecasting and portfolio risk analysis. Our publications and products provide real estate data for more than 70 of the largest metropolitan statistical areas in the United States and are sold on a subscription basis

to many of the largest portfolio managers, insurance companies and pension funds. The National Real Estate Index also compiles proprietary market research for 50 major urban areas nationwide, reporting benchmark market price and rent data for office, light industrial, retail, and apartment properties, and tracking the property portfolios of approximately 150 of the largest real estate investment trusts. The research is prepared by approximately 200 researchers in the United States.

Management Services

The management services segment provides property, facility and construction management services, through two lines of business:

Property Management Asset Services. The asset services line of business provides value-added asset and related services for income-producing properties owned primarily by institutional investors and, at March 31, 2001, managed approximately 190 million square feet of commercial space in the United States and approximately 180 million square feet in the rest of the world. Asset services include maintenance, marketing and leasing services for investor-owned properties, including office, industrial, retail and multi-family residential properties. Additionally, asset services provides construction management services, which relate primarily to tenant improvements. Asset services works closely with its clients to implement their specific goals and objectives, focusing on the enhancement of property values through maximization of cash flow. Asset services markets its services primarily to long-term institutional owners of large commercial real estate assets. An asset services agreement puts CB Richard Ellis Services in a position to provide other services for the owner including refinancing, appraisal and lease and sales brokerage services.

Operations. At March 31, 2001, asset services employed approximately 1,000 individuals in the United States and approximately 750 individuals internationally, part of whose compensation is

reimbursed by the client. Most asset services are performed by management teams located on-site or in the vicinity of the properties they manage. This provides property owners and tenants with immediate and easily accessible service, enhancing client awareness of manager accountability. All personnel are trained and are encouraged to continue their education through both internally-sponsored and outside training. We provide each local office with centralized corporate resources including investments in computer software and hardware. Asset services personnel generally utilize state-of-the-art computer systems for accounting, marketing and maintenance management.

Compensation. Under a typical property management agreement, CB Richard Ellis Services receives a monthly managerial fee and reimbursement for the cost of wages for on-site employees. Payments for reimbursed expenses are netted against those expenses and not included in revenue.

Facilities Management. The facilities management line of business, now under the same leadership as corporate services, specializes in the administration, management and maintenance of properties that are occupied by large corporations and institutions, including corporate headquarters, regional offices, administrative offices and manufacturing and distribution facilities, as well as tenant representation, capital asset disposition, project management, strategic real estate consulting and other ancillary services for corporate clients. At March 31, 2001, facilities management had approximately 119 million square feet under management in the United States and it also manages approximately 14 million square feet internationally. We expect the facilities management business both inside and outside of the U.S. to continue growing in 2001.

Operations. At March 31, 2001, the facilities management business line employed approximately 1,030 individuals in facilities management services business in the United States and over 140 individuals internationally, most of whose compensation is reimbursed by the client. The facilities management operations in the United States are organized into three geographic regions in the Eastern, Western and Central areas, with each geographic region comprised of consulting, corporate services and team management professionals who provide corporate service clients with a broad array of financial, real estate, technological and general business skills. Facilities management teams are also in place internationally. In addition to providing a full range of corporate services in a contractual relationship, the facilities management group will respond to client requests generated by CB Richard Ellis Services' other business lines for significant, single-assignment acquisition, disposition and consulting assignments that may lead to long-term relationships.

Compensation. Under a typical facilities management agreement, CB Richard Ellis Services is entitled to receive management fees and

reimbursement for its costs including costs of wages of on-site employees, capital expenditures, field office rent, supplies and utilities that are directly attributable to management of the facility. Payments for reimbursed expenses are netted against those expenses and not included in revenue. Under particular facilities management agreements, CB Richard Ellis Services may also be entitled to an additional incentive fee which is paid if it meets select performance criteria, for example, a reduction in the cost of operating the facility, which is established in advance with the client.

Our Strategy

Our strategy is to be the world's leading real estate services firm offering unparalleled breadth and quality of services across the globe. To implement our strategy, we intend to:

- Increase International Revenues. We aim to continue to grow our international business by further penetrating the local markets where we currently operate and by leveraging our global platform to meet the global needs of our clients. Our focus will be on the large commercial real estate markets of Europe and Asia Pacific.

- Capitalize on Increased Corporate Outsourcing to Increase Market Share. We plan to use our global presence and breadth of services to gain market share. We believe that major corporations are increasingly outsourcing their real estate activities and that we are one of the few companies with the geographic reach and service offering to handle these large and complex outsourcing opportunities. We believe corporate outsourcing will contribute significantly to our revenue growth in future years.

- Promote Further Cross-Selling and Cross-Utilization of our Services across the Globe. We intend to further cross-sell and cross-utilize our services through education and incentive programs that encourage individuals in one business unit to market the services of other business units to their clients.

- Build Local Market Share. We intend to build upon our strong local presences to generate more business from our existing customers and to develop new relationships with growing companies that have increasing real estate service needs.

- Grow our Investment Management Business. We intend to continue to grow our assets under management from the $10.0 billion managed by CBRE Investors as of December 31, 2000, which represents a 49% increase over the assets under management by CBRE Investors on December 31, 1998. In funds where we are the general partner, we will typically co-invest 2%-10% if required to do so by our clients. Historically, we have generated significant revenues through the provision of services on an arm's-length basis to funds managed by CBRE Investors and expect to continue this in the future.

- Expand our Use of Internet-Based Technology. We intend to utilize Internet-based technology to improve the delivery systems in all of our businesses to create internal operating efficiencies, especially in smaller transactions.

Competition

We believe our strong position within the real estate services industry is based on our global brand recognition, broad service offerings, ability to scale these offerings and geographic reach. Specifically:

- Global Brand Name. We are the largest commercial real estate services provider in the world and, together with our predecessors, have been in existence for 95 years. We are a global firm operating in 44 countries across six continents through 250 offices. We believe we are one of the leading commercial real estate services firms in most major U.S. markets and in many other important real estate markets around the world. CB Richard Ellis is the brand name under which we operate in all of our markets, except in the United Kingdom, where we operate under the brand name CB Hillier Parker.

- Geographic Reach. We possess in-depth knowledge of local and regional markets and can provide a full range of real estate services in most major markets across the globe. Our geographical coverage enables us to better serve our multinational clients and manage funds for institutional investors on a global basis.

- Full Service Provider. We provide a full range of real estate services to meet the needs of our clients. These services include commercial real estate brokerage services, investment properties, corporate services,

mortgage banking, investment management, valuation and appraisal services, real estate market research, property management/asset services and facilities management. We believe our combination of significant local market presence and diversified line of business platforms differentiates us from our competitors and provides us with a competitive advantage.

- High End Commercial Brokerage Focus. Our expertise, breadth of services and strong client relationships enable us to derive a large proportion of our commercial brokerage revenues from large, high end transactions. For example, during 1999, we derived more than half of our sales commissions in the United States and more than one-third of our lease commissions in the United States from transactions exceeding $5.0 million in deal size.

- Recurring Revenue from Prior Transactions. We believe we are well positioned to generate recurring revenues through the turnover of leases and properties for which we have previously acted as

transaction manager. Our many years of strong local market presence have allowed us to develop significant repeat client relationships which are responsible for a large part of our business. We estimate that during 2000 approximately 68% of our landlord listing assignments were with clients with whom we had done business previously.

- Strong Relationships with Established Customers. We have long-standing relationships with a number of the major real estate investors, including Equity Residential Trust, Lend Lease, MetLife and RREEF. Our broad national and international presence has enabled us to develop extensive relationships with many leading corporations, including Ford Motor Company, GE Capital, JP Morgan Chase, Kodak, Lucent Technologies and Washington Mutual.

- Experienced Senior Management with Significant Equity Stake. We are led by an experienced management team. Our Chief Executive Officer, Ray Wirta, has 33 years of experience in the real estate industry with our company, Bank of America, Koll Management Services and Koll Real Estate Services. Ray Wirta will beneficially own between 3.7% and 4.1% of our outstanding common stock after the merger. In addition, our other employees will have the opportunity to acquire a total of up to 30.9% of the CBRE Holding common stock and stock fund units in connection with the merger transactions.

Despite these competitive advantages, we also experience competitive disadvantages in the commercial real estate industry. These disadvantages include:

- Higher Leverage. We will incur substantial additional indebtedness in connection with the merger transactions, and our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and in the real estate services industry generally and therefore could place us at a competitive disadvantage compared to those of our competitors that are less leveraged.

- Brokerage Competition in Smaller Markets. Our competitors in smaller markets are often able to act more quickly in response to local trends due to their size and lack of centralized control. In addition, because these competitors also do not have to support corporate overhead, these businesses are often able to pay larger percentage commissions to their real estate brokerage employees, which gives them a competitive advantage in attracting and retaining employees that we may not be able to match.

- Support of Numerous Business Segments. Due to the significant number of business segments in which we conduct business and the geographic breadth within these segments, we are less able to focus our resources on any particular segment, which may place us at a competitive disadvantage to those of our competitors who have less diverse operations.

L.J. Melody competes in the United States with a large number of mortgage banking firms and institutional lenders as well as regional and national investment banking firms and insurance companies in providing its mortgage banking services. Appraisal and valuation services are provided by other international, national, local and regional appraisal firms and some international, national and regional accounting firms. CBRE Investors has numerous competitors including other fund managers, investment banks and commercial banks.

Our management services business competes for the right to manage properties controlled by third parties. The competitor may be the owner of the property, who is trying to decide the efficiency of outsourcing, or another management services company. Increasing competition in recent years has resulted in having

to provide additional services at lower rates, thereby eroding margins. However, management services enjoys synergies with CB Richard Ellis Services' other lines of business, especially those within the transaction management segment.

Employees

At March 31, 2001, CB Richard Ellis Services had approximately 9,700 employees located in 44 countries. We believe that relations with our employees are good.

The breakdown of our employees by segment is as follows:

Transaction Management	3,200 employees in the United States. 1,630 employees internationally.
Financial Services	
Mortgage banking	280 mortgage banking employees.
Investment management	165 employees in the United States and internationally.
Valuation and appraisals	500 employees.
Global research and consulting	200 employees in the United States.
Management Services	
Property management	1,000 employees in the United States and 750 employees internationally.
Facilities management	1,170 employees in the United States and internationally.
Other	
Administrative support and other	805 employees in the United States and internationally.

Facilities

CB Richard Ellis Services leases the following offices:

Location	Sales Offices	Corporate Offices	Total
North America	170	4	174
Latin America	4	--	4
Europe, Middle East and Africa	42	1	43
Asia Pacific	28	1	29
Total	244	6	250

The total rental expense of CB Richard Ellis Services under noncancelable operating leases, less proceeds received from sublease rentals, for the year ended December 31, 2000, was approximately $54.9 million.

We do not own any offices, which is consistent with our strategy to lease instead of own. In general, these offices are fully utilized. There is adequate alternative office space available at acceptable rental rates to meet our needs, although rental rates in some markets may negatively affect our profits in those markets.

Legal Proceedings

CB Richard Ellis Services and BLUM CB are party to a number of pending or threatened lawsuits arising out of, or incident to, our ordinary course of business. Currently, CB Richard Ellis Services is the defendant in several lawsuits filed by employees. These suits include claims of wrongful termination, failure to promote or other similar claims resulting from alleged gender discrimination or age discrimination. Management believes that any liability imposed on CB Richard Ellis Services that may result from disposition of these lawsuits or other lawsuits arising out of its ordinary course of business will not have a material effect on its consolidated financial position or results of operations.

In connection with the announcement of the merger transactions, CB Richard Ellis Services and BLUM CB have been subject to putative class action lawsuits. Between November 12 and December 6, 2000, five putative class actions were filed in the Court of Chancery of the State of Delaware in and for New Castle County by various stockholders against CB Richard Ellis Services, its directors and the buying group and their affiliates. A similar action was also filed on November 17, 2000, in the Superior Court of the State of California in and for the County of Los Angeles. These actions all alleged that BLUM CB's offering price was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages.

The five Delaware actions were subsequently consolidated and a lead counsel appointed. As of February 23, 2001, the parties to the Delaware litigation entered into a memorandum of understanding in which they agreed in principle to a settlement. The memorandum provides, among other things:

- that the defendants admit no liability or wrongdoing whatsoever;
- that the buying group acknowledge that the pendency and prosecution of the Delaware litigation were positive contributing factors to its decision to increase the merger consideration;
- for the lead counsel for the plaintiff to have an opportunity to review the proxy statement before mailing;
- for the certification of a settlement class and the entry of a final judgment granting a full release of the defendants; and
- for attorneys' fees in an amount not to exceed $380,000.

Conditions to the settlement proposed by the memorandum include:

- negotiation and execution of a mutually acceptable stipulation of settlement;
- closing of the merger;
- dismissal of the Delaware and California litigation with prejudice; and
- completion by the plaintiffs of reasonable additional discovery as lead counsel reasonably believes is appropriate.

The parties may not be able to complete a mutually acceptable stipulation of settlement, and, if so, the litigation will continue, which could have a materially adverse impact on CB Richard Ellis Services' ability to complete the merger. In addition, no agreements have been reached with respect to any settlement of the California litigation, and if this litigation continues, it could have a material adverse impact on our ability to complete the merger.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information about the executive officers of CBRE Holding, Inc. and CB Richard Ellis Services and the directors of CBRE Holding, in each case immediately after the closing of the merger:

<TABLE>
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Name	Age	Position
<C>	<C>	<S>
Ray Wirta.....	57	Chief Executive Officer of CB Richard Ellis Services and CBRE Holding, and a Director of CBRE Holding and CB Richard Ellis Services
Brett White.....	41	Chairman of the Americas of CB Richard Ellis Services and CBRE Holding, and a Director of CBRE Holding and CB Richard Ellis Services
James Leonetti....	42	Chief Financial Officer of CB Richard Ellis Services and CBRE Holding
Walter Stafford...	60	Senior Executive VP, Secretary and General Counsel of CB Richard Ellis Services and CBRE Holding and CB Richard Ellis Services
Richard Blum.....	65	Director of CBRE Holding and CB Richard Ellis Services
Bradford Freeman..	59	Director of CBRE Holding and CB Richard Ellis Services
Claus Moller.....	38	Director of CBRE Holding and CB Richard Ellis Services

</TABLE>

Pursuant to the terms of the securityholders' agreement, RCBA Strategic has the right to appoint up to four additional directors and Blum Strategic Partners II has the right to appoint one director to our board of directors. In

addition, immediately after the closing of the merger, one of our real estate brokerage employees will be appointed to our board of directors.

Ray Wirta has been CB Richard Ellis Services' Chief Executive Officer since May 1999 and a director of CB Richard Ellis Services since August 1997. He served as our Chief Operating Officer from May 1998 to May 1999. Mr. Wirta was Chief Executive Officer and a Director of Koll Real Estate Services from November 1994 to August 1997. Prior to that, Mr. Wirta held various management positions with Koll Management Services, Inc. since 1981. Mr. Wirta was a member of the board of directors and served as Chief Executive Officer from June 1992 to November 1996 to Koll Real Estate Group, Inc., which filed for Chapter 11 bankruptcy protection on July 14, 1997 with a reorganization plan pre-approved by its bondholders. Mr. Wirta holds a B.A. degree from California State University, Long Beach and an M.B.A. degree in International Management from Golden Gate University.

Brett White has been CB Richard Ellis Services' Chairman of the Americas since May of 1999 and was President of Brokerage Services from August 1997 to May 1999. Previously, he was Executive Vice President of CB Richard Ellis Services from March 1994 to July 1997, and Managing Officer of the CB Richard Ellis Services Newport Beach, California office from 1992 to March 1994. Mr. White attended the University of California, Santa Barbara from 1979-1984.

James Leonetti has been CB Richard Ellis Services' Chief Financial Officer since September 2000. Mr. Leonetti spent five years as an Assistant Controller with Far West Financial and eight years with California Federal Bank, most recently as its Senior Vice President and Controller. In 1997, Mr. Leonetti became Chief Financial Officer of Long Beach Mortgage Company, where he remained until mid-2000 after the sale of the company to Washington Mutual. Mr. Leonetti holds a B.S. degree in business administration from the University of Southern California.

Walter Stafford has served as CB Richard Ellis Services' Senior Executive Vice President and General Counsel since July 1995 and Secretary since May 1998. Mr. Stafford was a partner at the law firm Pillsbury Madison & Sutro LLP from November 1988 to June 1995 and from January 1973 to March 1982. From March 1982 to November 1988, he was Executive Vice President and General Counsel at Diasonics, Inc., a medical device manufacturer, and from 1982 to 1994, he was a director of that company. Mr. Stafford holds a B.A. degree from the University of California, Berkeley and a J.D. degree from Boalt Hall University of California at Berkeley.

Richard Blum has been a director of CB Richard Ellis Services since 1993. He is the Chairman and President of BLUM Capital Partners, L.P., a merchant banking firm he founded in 1975. Mr. Blum is a member of the board of directors of Northwest Airlines Corporation, Glenborough Realty, URS Corporation and Playtex Products, Inc. Mr. Blum also serves as Vice Chairman of URS Corporation. Mr. Blum holds a B.A. degree from the University of California, Berkeley, a graduate degree from the University of Vienna and an M.B.A. from the University of California, Berkeley.

Claus Moller has been our President and Sole Director since February 2001. Mr. Moller has been a Managing Partner of BLUM Capital since 1999. Prior to joining BLUM Capital, Mr. Moller was a Managing Director at AEA Investors, a New York based private equity investment firm. Prior to joining AEA, Mr. Moller was an investment banking associate at Morgan Stanley in New York. Mr. Moller currently serves as a director for Smarte Carte Inc. Mr. Moller has a cand. oecon. degree from Aarhus University, Denmark and an M.B.A. from Harvard Business School.

Bradford Freeman has been a director of CB Richard Ellis Services since August 1997. Mr. Freeman was a Director of Koll Real Estate Services and Koll Management Services, Inc. from November 1994 to August 1997. Mr. Freeman is a founding principal of Freeman Spogli & Co. Incorporated, a private investment company, and its affiliated investment partnerships or companies, founded in 1983. Mr. Freeman is also a member of the board of directors of RDO Equipment Company, an agricultural and industrial equipment distributor. Mr. Freeman holds a B.A. from Stanford University and an M.B.A. from Harvard University.

Board Composition

Upon completion of the merger and prior to an underwritten initial public offering, following which our common stock is listed on a national securities exchange or the Nasdaq National Market, each holder of our Class B common stock securityholder will agree to vote all of its shares to elect the following representatives to our board of directors:

- between three and six directors designated by RCBA Strategic, with the actual number to be determined by RCBA Strategic in its discretion;

- one director designated by Blum Strategic Partners II;

- one director designated by Freeman Spogli;
- Ray Wirta;
- Brett White; and
- one director who is a real estate brokerage employee of ours, unless a majority of our board of directors determines that our board of directors should exclude such a director.

The Class B common stock subject to the securityholders' agreement will represent a majority of the votes entitled to be case for the election of our directors and will therefore have the power to elect the designees described above to our board of directors. In addition, Freeman Spogli will be entitled to have two non-voting observers and DLJ Investment Funding, Inc. will be entitled to one non-voting observer at all meetings of our board of directors as long as Freeman Spogli owns at least 7.5% and DLJ owns 1.0% of our outstanding common stock. Our board of directors will be elected by our stockholders annually for one-year terms. For more information concerning the composition of our board of directors, the terms of these voting arrangements and board observer rights see "The Merger Transactions--Securityholders' Agreement--Governance."

Our executive officers are appointed by the board of directors and serve at the discretion of our board until their successors have been duly elected and qualified. There are no family relationships among any of our directors or officers.

Board Committees

Pursuant to the terms of the securityholders' agreement, prior to an underwritten initial public offering each committee of our board of directors must include at least one director designated by RCBA Strategic and one director designated by the FS Equity entities. For more information concerning the composition of our board of directors and its committees, see "The Merger Transactions--Securityholders' Agreement--Governance." We will establish an operating committee that will meet or take written action when the board of directors is not otherwise meeting and will have the level of authority delegated to it by the board of directors, except that it cannot amend our bylaws, recommend any action that requires the approval of the stockholders or take any other action not permitted under Delaware law to be delegated to a committee. Our operating committee will perform both audit and compensation committee functions. Accordingly, the operating committee will review our internal accounting procedures and consult with and review the services provided by our independent accountants. The operating committee will determine, approve and report to the full board of directors on all elements of compensation and benefits for all of our officers and other employees. The operating committee will administer our stock option and other employee benefit plans. Any action by our operating committee must be approved by all members of that committee. Upon closing of the merger, the operating committee will consist of Messrs. Moller, White and Wirta. In addition, Freeman Spogli will designate one observer to the operating committee.

Compensation Committee Interlocks and Insider Participation

Our operating committee will perform those functions typically delegated to a compensation committee. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation, other than those executive officers and directors serving in these capacities for CB Richard Ellis Services.

Director Compensation

We will reimburse our non-employee directors for all out-of-pocket expenses incurred in the performance of their duties as directors. We do not intend to pay fees to our directors for attendance at meetings or for their services as members of the board of directors.

Executive Compensation

Summary Compensation Table

The following table indicates information concerning compensation of CB Richard Ellis Services' Chief Executive Officer and the most highly compensated executive officers other than the Chief Executive Officers whose salary and

bonus exceeded $100,000 for the year ended December 31, 2000. All information set forth in this table reflects compensation earned by these individuals for services with CB Richard Ellis Services for the year ended December 31, 2000. These executives are referred to as the "Named Executive Officers" elsewhere in this prospectus.

<TABLE>
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		Annual Compensation			Long Term Compensation		
Name and Principal Position (/4/)	Year	Salary	Bonus (/1/)	Other Annual Compensation (/2/)(/3/)	Restricted CB Richard Ellis Stock Awards (/3/)	Securities Underlying CB Richard Ellis Stock Options	All Other Compensation
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Ray Wirta.....	2000	$500,000	$972,000	$ 20,251	30,000	35,000	--
Chief Executive Officer	1999	412,523	300,000	12,000	--	--	--
	1998	384,387	395,920	12,000	--	80,000 (/5/)	--
James Didion.....	2000	506,308	--	12,000	--	--	--
Chairman of the Board	1999	496,795	--	131,718	--	--	860
	1998	500,000	657,218	131,718	--	--	--
Brett White.....	2000	375,000	714,601	49,692	20,000	20,000	--
Chairman of the Americas	1999	331,846	225,000	45,342	--	52,000	860
	1998	281,250	318,908	45,342	25,000	48,000	--
James Leonetti.....	2000	72,115	82,500	--	--	25,000	--
Senior Executive Vice President and Chief Financial Officer	1999	--	--	--	--	--	--
	1998	--	--	--	--	--	--
Walter Stafford.....	2000	300,000	244,375	58,406	--	10,000	--
Senior Executive President, Secretary and General Counsel	1999	298,077	120,000	58,406	--	20,000	860
	1998	300,000	257,550	58,001	--	--	--

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(1) Bonus for each year is paid pursuant to the Annual Management Bonus Plan in the first quarter of the following year. The bonus shown for 2000 was paid in March of 2001.

(2) With respect to Other Annual Compensation paid in 1998, 1999 and 2000, the amounts listed for everyone except Mr. Leonetti include a $12,000 automobile allowance. For Messrs. Wirta, Didion, Stafford and White, the amounts also include interest accrued and forgiven under the promissory notes delivered by them pursuant to the CB Richard Ellis Services 1996 Equity Incentive Plan (EIP).

(3) Pursuant to the 1996 EIP, Messrs. Didion and Stafford purchased respectively in 1996, 175,027 and 48,640 shares of CB Richard Ellis Services common stock for a purchase price of $10 per share, (the appraised value of the common stock at the time of such purchase), which were paid by delivery of full recourse promissory notes. Pursuant to the 1996 EIP, Mr. White purchased 25,000 shares of CB Richard Ellis Services common stock in 1998 for a purchase price of $38.50 and 20,000 shares of CB Richard Ellis Services common stock in 2000 for a purchase price of $12.875. Pursuant to the 1996 EIP, Mr. Wirta purchased 30,000 shares of CB Richard Ellis Services common stock in 2000 at a purchase price of $12.875. All of these purchases were paid for by the delivery of full recourse promissory notes. The Didion and Stafford notes bear interest at a rate of 6.84% per annum, the White notes bear interest at rates of 5.94% and 7.4%, respectively, and Mr. Wirta's note bears interest at a rate of 7.4%. All such interest for any year is forgiven if the executive's performance produces a high enough level of bonus (approximately $7,500 in interest is forgiven for each $10,000 bonus). A first amendment to Mr. White's 1998 Promissory Note provides that the portion of the then outstanding principal in excess of the fair market value of the shares will be forgiven in the event that Mr. White is an employee of CB Richard Ellis Services or its

subsidiaries on November 16, 2002 and the fair market value of a share of CB Richard Ellis Services common stock is less than $38.50 on November 16, 2002. In the event of any such principal forgiveness, CB Richard Ellis Services will pay to Mr. White an amount equal to any federal, state or local income tax liability resulting from such principal forgiveness. The aggregate number and value of such shares held by the individuals named above as of December 31, 2000, net to the purchase price of such shares was as follows: Mr. Didion--175,027 ($809,500); Mr. Stafford--48,640 ($224,965); Mr. White--45,000 (negative $561,875); and Mr. Wirta--30,000 ($52,500). The shares vest at the rate of 5 percent per quarter, commencing December 31, 1995 in the case of Messrs. Didion and Stafford, March 31, 1998 and September 30, 2000 in the case of Mr. White and at September 30, 2000 in the case of Mr. Wirta. As a result of bonuses paid in 1999, 2000 and in 2001, all interest on Mr. Stafford's and Mr. White's promissory notes for 1998, 1999 and 2000 was forgiven. As a result of a bonus paid in 1999, all interest on Mr. Didion's promissory note for 1998 was forgiven. As a result of the decision of the Compensation Committee in February of 2000, Mr. Didion's interest for 1999 was also forgiven. Interest on Mr. Didion's promissory note was not forgiven in 2000. As a result of a bonus paid in 2001, all interest on Mr. Wirta's note for 2000 was forgiven.

(4) Consists of each individual's allocable share of profit sharing contributions made by us to our Capital Accumulation Plan, a qualified profit sharing 401(k) plan.

(5) In each of 1997 and 1998, Mr. Wirta received an option to purchase 100,000 shares of common stock (total of 200,000 shares), pursuant to an option agreement which was amended on December 15, 1998. Pursuant to the amendment, the options were repriced to $20 and the number of shares underlying each option was reduced by 20% from 100,000 to 80,000 shares (total of 160,000 shares).

Option Grants In Last Fiscal Year

The following table provides information concerning grants of options to purchase shares of CB Richard Ellis Services common stock made during the fiscal year ended December 31, 2000, to the Named Executive Officers.

In the fiscal year ended December 31, 2000, options to purchase up to an aggregate of 487,710 shares of CB Richard Ellis Services were granted to employees, directors and independent contractors. Most of these options were granted under various CB Richard Ellis Services' stock option plans at exercise prices equal to the fair market value of its common stock on the date of grant, as determined in good faith by the board of directors. All options have a term of ten years. Generally, these options vest 20% per year over 5 years beginning August 31, 2001. These assumed rates of appreciation comply with the rules of the Securities and Exchange Commission and do not represent our estimate of future stock price. Actual gains, if any, on stock option exercises will be dependent on the future performance of the underlying common stock.

Option Grants in 2000

<TABLE>
<CAPTION>

Name	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in 2000	Exercise Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term 5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Raymond Wirta.....	35,000	7.2%	$12.875	8/31/10	$283,395	$718,200
James Didion.....	--	--	--	--	--	--
Brett White.....	20,000	4.1	12.875	8/31/10	161,940	410,400
James Leonetti.....	25,000	5.1	12.875	8/31/10	202,425	513,000
Walter Stafford.....	10,000	2.1	12.875	8/31/10	80,970	205,200

</TABLE>

CB Richard Ellis Services has agreed to pay James Leonetti $2.375 in cash for each option he exercises, which has the effect of reducing his exercise price per share to $10.50.

Option Exercises In Last Fiscal Year and Fiscal Year-End Option Values

The following table describes for the Named Executive Officers the exercisable and unexercisable options held by them as of December 31, 2000. There were no option exercises by Named Executive Officers in the last fiscal year. The "Value of Unexercised In-the-Money Options at Fiscal Year End" is based on the deemed value of our common stock as of December 31, 2000, less the per share exercise price, multiplied by the number of shares issued upon exercise of the option.

Fiscal Year End Option Values

<TABLE>
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	Number of Securities Underlying Unexercised Options at December 31, 2000		Value of Unexercised In-The-Money Options at December 31, 2000	
Name	Exercisable	Unexercisable	Exercisable	Unexercisable
<S>	<C>	<C>	<C>	<C>
Raymond Wirta.....	32,000	163,000	--	$61,250
James Didion.....	200,000	--	--	--
Brett White.....	29,600	90,400	$3,900	50,600
James Leonetti.....	--	25,000	--	43,750
Walter Stafford.....	4,000	26,000	1,500	23,500

</TABLE>

Cancellation of Options in the Merger

At the effective time of the merger, each holder of an option to purchase shares of CB Richard Ellis Services common stock outstanding under any of its stock option or compensation plans or arrangements, whether or not vested, will have the right to have the option canceled and in exchange CB Richard Ellis Services will pay to each holder of a canceled option, as soon as practicable following the effective time, an amount per share that is subject to the option, equal to the greater of (A) the amount by which $16.00 exceeds the exercise price of the option, if any, and (B) $1.00, reduced in each case by applicable tax withholding.

Each holder of an option that does not elect to receive the consideration described in the previous paragraph will continue to hold his or her options to acquire CB Richard Ellis Services common stock after the merger. However, after the merger, CB Richard Ellis Services will be our wholly-owned subsidiary and its common stock will be delisted from the New York Stock Exchange. Accordingly, if any holder exercised his or her options after the merger, the holder would receive common stock of our subsidiary, which common stock would be difficult, if not impossible, to sell.

Incentive Plans

CB Richard Ellis Services Deferred Compensation Plan

For a description of this plan, you should see the section of this prospectus titled "Descriptions of the Plans--CB Richard Ellis Services Deferred Compensation Plan."

CB Richard Ellis Services 401(k) Plan

For a description of this plan, you should see the section of this prospectus titled "Description of the Plans--CB Richard Ellis Services 401(k) Plan."

2001 Stock Incentive Plan

For a description of this plan, you should see the section of this prospectus titled "Descriptions of the Plans--2001 Stock Incentive Plan."

Employment Agreements

Raymond Wirta and Brett White. In connection with the merger transactions, we expect that Raymond Wirta and Brett White will enter into three-year employment agreements with us, which agreements are expected to become effective on the closing of the merger. Following the three-year term, the employment agreements will be automatically extended for successive twelve month periods if notice is not received by either party within 120 days prior to the expiration of the initial term or any renewal term.

Pursuant to the terms of his employment agreement, Raymond Wirta will become

a member of our board of directors and our Chief Executive Officer following the merger. He will receive an annual base salary of $519,000 and will be eligible for an annual bonus of up to 200% of his target bonus based upon the achievement of performance goals established by our board of directors.

Pursuant to the terms of his employment agreement, Brett White will become a member of our board of directors and our Chairman of the Americas following the merger. He will receive an annual base salary of $395,000 and will be eligible for an annual bonus of up to 200% of his target bonus based upon the achievement of performance goals established by our board of directors.

At the time of the merger, we expect to grant Mr. Wirta 176,153 options and Mr. White 141,782 options, each having the same terms as the options granted to other designated managers. Pursuant to each of the employment agreements, all unvested options held by Messrs. Wirta and White will automatically vest if there is a change of control of us prior to termination of that executive's employment with us. The definition of change of control in these agreements generally includes either of the following:

- the sale or disposition, in one or a series of related transactions, of all, or substantially all, of the assets of CBRE Holding to any "person" or "group," as defined in Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, other than RCBA Strategic, Freeman Spogli or their affiliates or any group which includes any of them; or

- any person or group, other than RCBA Strategic, Freeman Spogli or their affiliates, is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of CBRE Holding, including by way of merger, consolidation or otherwise and the representatives of RCBA Strategic, Freeman Spogli or their affiliates, individually or in the aggregate, cease to have the ability to elect a majority of the board of directors of CBRE Holding. For our purposes, a member of a group will not be considered to beneficially own the securities owned by other members of the group; for our purposes, a member of the group will not be considered to beneficially own the securities owned by other members of the group.

We expect that each employment agreement will provide that the executive's employment by us may be terminated by either party at any time. If during the term of the agreement we terminate the executive's employment without cause or the executive terminates his employment for good reason, then the executive will be entitled to the following severance payments and benefits:

- any accrued but unpaid compensation;

- continued payment of base salary and average annual bonus based on the previous two fiscal years for a period of two years following the termination of employment; and

- continued coverage under our medical plans on the same basis as our active executives until the earlier of the second anniversary of the termination of employment and the date the executive becomes eligible for comparable coverage under any future employer's medical plan.

If during the term of the agreement the executive's employment is terminated due to his death or disability, the executive will be entitled to the following severance payments:

- any accrued but unpaid compensation; and

- a pro rata portion of any annual bonus that the executive would have been entitled to receive in the year of termination, payable at the time the bonus would otherwise have been paid.

We expect that each employment agreement will also contain a customary provision regarding confidentiality, a non-solicitation provision applicable for a period of two years following the executive's termination of employment for any reason and a noncompetition provision applicable for a period of two years following the executive's termination of employment by us without cause or by the executive with good reason.

James Didion. In 1999, CB Richard Ellis Services and James Didion entered into an amended and restated ten-year employment agreement which provides for an annual salary of $500,000 with no incentive compensation or bonus anticipated. The agreement provides that he will act as a senior advisor to CB Richard Ellis Services during the term of his employment. For as long as he is employed, CB Richard Ellis Services will provide medical and other benefits generally made available to senior officers and an office, a secretary and clerical help. The amended agreement is terminable by CB Richard Ellis Services for cause. Cause includes conviction of a felony, fraud and willful and

substantial failure to render services. If the agreement is terminated without cause or in the event of his death or total disability, he, or his estate, will continue to be entitled to the salary. In addition, following the merger Mr. Didion will no longer serve as Chairman of CB Richard Ellis Services.

Limitation of Liability and Indemnification

Our restated certificate of incorporation includes a provision that eliminates the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except to the extent such limitation is not permitted under the Delaware General Corporation Law.

Our restated certificate of incorporation and bylaws further provide for the indemnification of our directors and officers to the fullest extent permitted by Section 145 of the Delaware General Corporation Law, including circumstances in which indemnification is otherwise discretionary. Insofar as indemnification for liabilities arising under the Securities Act may be permitted our directors, officers and controlling persons under the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission this indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. We also maintain directors' and officers' liability insurance.

RELATED PARTY TRANSACTIONS

Since January 1, 1998, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we and our subsidiaries both prior to and as of the merger, including CB Richard Ellis Services, were, was or is, or will be a party in which the amount involved exceeds $60,000 and in which any director, executive officer or holder of more than 5% of common stock or an immediate family member of any of the foregoing, had or will have a direct or indirect interest other than compensation arrangements, which are described under the section of the prospectus titled "Management," and the transactions described below.

Participation of Our Directors, Officers and Principal Stockholders in the Merger Transactions

On February 23, 2001, we entered into an agreement and plan of merger with BLUM CB Corp., which is our wholly-owned subsidiary, and CB Richard Ellis Services pursuant to which, subject to stockholder approval and to other conditions set forth in the merger agreement, CB Richard Ellis Services will become our direct, wholly-owned subsidiary. The merger agreement was amended and restated on May 31, 2001. For additional information regarding the merger and the terms and conditions of the merger agreement, you should read the section of this prospectus titled "The Merger Transactions--Merger Agreement."

Contribution and Voting Agreement

On February 23, 2001, we entered into a contribution and voting agreement with BLUM CB Corp. and the following other parties, each of which currently holds shares of CB Richard Ellis Services common stock and which we refer to together with Blum Strategic Partners II as the "buying group":

- RCBA Strategic;
- Freeman Spogli;
- Raymond Wirta, who will be one of our directors and our Chief Executive Officer after the merger;
- Brett White, who will be one of our directors and our Chairman of the Americas after the merger;
- The Koll Holding Company; and
- Frederic Malek.

Pursuant to this agreement, which was amended and restated on May 31, 2001, each of the members of the buying group will contribute to us all of the shares of CB Richard Ellis Services common stock that he or it directly owns. Each of these shares contributed to us will be cancelled as a result of the merger, and we will not receive any consideration for those shares of CB Richard Ellis Services common stock. We will issue one share of our Class B common stock in exchange for each share of CB Richard Ellis Services common stock contributed to us. This will result in the issuance to the buying group of an aggregate of 8,052,087 shares of our Class B common stock in exchange for these contributions. Also pursuant to the contribution and voting agreement, immediately prior to the merger, the BLUM Funds have agreed to purchase a minimum of 2,553,879 shares of our Class B common stock and an additional number of shares of CBRE Holding Class B common stock equal to (1) 3,236,669

shares minus (2) the number of shares of our Class A common stock and stock fund units subscribed in the offerings to employees plus (3) the aggregate amount of full-recourse notes delivered by designated managers in the offerings divided by $16.00. The number of shares purchased by the BLUM Funds will be reduced by 241,885 shares, which is the sum of the 10 shares of CBRE Holding Class B common stock initially owned by RCBA Strategic and the 241,875 shares of CBRE Holding Class B common stock purchased by RCBA Strategic for $16.00 per share in connection with the closing of the sale of 11 1/4% senior subordinated notes by BLUM CB Corp.

For additional information regarding the terms of the contribution and voting agreement, you should read the section of this prospectus titled "The Merger Transactions--Contribution and Voting Agreement."

Treatment of CB Richard Ellis Services Equity Interests in the Merger

Options and Warrants. Pursuant to the merger agreement, each person that holds options to acquire CB Richard Ellis Services common stock will be entitled to receive in connection with the merger an amount in cash for each option they own equal to the greater of (A) the amount by which $16.00 exceeds the exercise price of the option, if any, and (B) $1.00, reduced in each case by applicable tax withholding.

Each holder of an option that does not elect to receive the consideration described in the previous paragraph will continue to hold his or her options to acquire common stock of CB Richard Ellis Services after the merger. However, after the merger, CB Richard Ellis Services will be a wholly-owned subsidiary of CBRE Holding and the common stock of CB Richard Ellis Services will be delisted from the New York Stock Exchange. Accordingly, if any holder exercised his or her options after the merger, the shares of common stock of CB Richard Ellis Services that the holder would receive would be difficult, if not impossible, to sell.

Except as described in the following sentence, as a result of the merger, each of the warrants to acquire CB Richard Ellis Services common stock that are outstanding at the time of the merger effectively will terminate. Pursuant to the contribution and voting agreement, the warrants to acquire shares of CB Richard Ellis Services common stock that are beneficially owned by both Raymond Wirta and Donald Koll, who controls The Koll Holding Company, will be converted into the right to receive $1.00 per share of CB Richard Ellis Services common stock underlying the warrants.

Based upon the options and warrants held by the members of the buying group on the date of this prospectus, the members of the buying group, persons affiliated with members of the buying group and individuals who will become our directors and executive officers in connection with the merger will be entitled to receive the following amounts in connection with the merger for options and warrants, reduced in each case by applicable tax withholding:

- Raymond Wirta will be entitled to receive $269,375 for options to purchase an aggregate of 195,000 shares, and $55,936 for warrants to purchase 55,936 shares that are beneficially owned by both Raymond Wirta and Donald Koll;
- Brett White will be entitled to receive $201,750 for options to purchase an aggregate of 120,000 shares;
- Richard Blum will be entitled to receive $62,268 for options to purchase an aggregate of 18,872 shares;
- James Leonetti will be entitled to receive $78,125 for options to purchase an aggregate of 25,000 shares;
- Walter Stafford will be entitled to receive $1,030,368 for 64,398 shares, which amount will be reduced to repay the loan from CB Richard Ellis Services to purchase the shares, and $58,750 for options to purchase an aggregate of 30,000 shares;
- Donald Koll will be entitled to receive $366,315 for options to purchase an aggregate of 317,480 shares, and $29,052 for warrants held by him or The Koll Holding Company to purchase 29,052 shares, which warrants exclude the warrants beneficially owned by both Donald Koll and Raymond Wirta described in the first bullet point above; and
- Frederic Malek will be entitled to receive $159,737 for options to purchase an aggregate of 15,777 shares.

Also pursuant to the contribution and voting agreement, upon the consummation of the merger, CBRE Holding will issue to Freeman Spogli a warrant to purchase at an exercise price of $30.00 per share up to an aggregate number of shares of our Class B common stock equal to the number that represents the

same percentage of the total outstanding shares of our Class B common stock immediately after the merger as 364,884 shares of CB Richard Ellis Services common stock, which Freeman Spogli is entitled to acquire under existing warrants, represent of the total outstanding shares of CB Richard Ellis Services common stock prior to the consummation of the merger.

Securityholders' Agreement

In connection with the closing of the merger, the members of the buying group, together with DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock, will enter into a securityholders' agreement. This agreement will define various rights of the parties to the agreement related to their ownership and governance of us, including voting of their shares of Class B common stock, a right of first offer for potential sales of some of their shares, co-sale and required sale rights applicable in connection with transactions involving our shares, participation rights regarding future issuances of our shares of common stock and registration rights. For additional information regarding the terms of the securityholders' agreement, you should read the section of this prospectus titled "The Merger Transactions--Securityholders' Agreement."

Governance. Each of the members of the buying group will agree to vote each of the shares of our common stock it or he beneficially owns to elect to our board of directors individuals designated by various members of the buying group who will initially include, among others, Richard Blum, Claus Moller, Bradford Freeman, Ray Wirta and Brett White. A majority of the directors generally may be designated by RCBA Strategic at any time. Freeman Spogli may designate one of our directors and Raymond Wirta and Brett White will also be designated as directors. The securityholders' agreement also provides that we will be prohibited from taking certain actions without the consent of the director nominated by Freeman Spogli, including incurring certain indebtedness, consummating certain acquisitions or dispositions or issuing stock or options to our employees subject to certain exceptions. For additional information regarding the members of our board of directors after the merger, you should read the section of this prospectus titled "Management--Board Composition."

Subject to exceptions, each of the members of the buying group other than Blum Strategic Partners II will agree to vote the shares of our common stock it or he beneficially owns on matters to be decided by our stockholders in the same manner as RCBA Strategic votes the shares of our common stock that it beneficially owns. As a result, on most matters to be decided by our stockholders after the merger, RCBA Strategic will be able to control the outcome.

Registration Rights. Pursuant to the securityholders' agreement, we have agreed, at the request of the BLUM Funds, Freeman Spogli or DLJ Investment Funding, Inc., to initiate registrations under the Securities Act of shares held by that party. In addition, we have also agreed that each member of the buying group, as well as DLJ Investment Funding, Inc. and the other purchasers of our senior notes and the related Class A common stock, may "piggyback" on any registration statements that we file. Except with respect to the BLUM Funds, these registration rights generally will not apply until after we have completed, if ever, an underwritten initial public offering of shares of our common stock after which these shares are listed on a national securities exchange or on the Nasdaq National Market.

For additional information regarding the terms of the securityholders' agreement, you should read the section of this prospectus titled "The Merger Transactions--Securityholders' Agreement."

Replacement of Margin Loan

In connection with the merger and related transactions, we will extend a loan of $1.5 million to Ray Wirta to replace his existing margin loan with a third party that is secured by shares of CB Richard Ellis Services common stock, subject to review of the loan by us. The loan will be full-recourse, accrue interest at a market rate of interest, compounded annually and payable quarterly, and have a stated maturity of five years. This loan will be replaced by a margin loan from a third party when, if ever, our common stock becomes freely tradable on a national securities exchange or an over-the-counter market.

In the event, however, that our common stock is not freely tradable as described above by June 2004, then we will loan Raymond Wirta up to $3.0 million on a full-recourse basis to enable him to exercise an existing option to acquire shares held by The Koll Holding Company, which is controlled by Donald Koll, if Ray Wirta

is employed by us at the time of exercise or was terminated without cause or resigned for good reason. The loan will become repayable upon the earliest to occur of: (1) 90 days following termination of his employment, other than by us without cause or by him for good reason (2) seven months following the date our common stock becomes freely tradable as described above and (3) the receipt of proceeds from the sale of the pledged shares as described below. This loan will bear interest at the prime rate in effect on the date of the loan, compounded annually, and will be repayable to the extent of any net proceeds received by him upon the sale of any shares of our common stock. Ray Wirta will pledge the shares received upon exercise of the option as security for the loan.

Participation in the Offerings

Identification of Designated Managers. In connection with the offerings, various terms of the offerings will apply only to the designated managers. The "designated managers" refers to our 50 employees who on April 1, 2001 were designated by our board of directors as designated managers and were notified by us during April 2001 of their designation and who are employed by us as of the closing of the merger agreement. Each of our executive officers, including Raymond Wirta, Brett White, James Leonetti and Walter Stafford, is a designated manager.

Grants of Stock Options. In connection with the offering of shares for direct ownership, each designated manager will be entitled to receive a grant of options if he subscribes for at least a percentage of 625,000 shares for direct ownership allocated to the designated manager by our board of directors. The number of shares that a designated manager must subscribe for in order to receive a grant of options will be reduced by the number of deferred compensation plan stock fund units acquired by the designated manager at the closing of the offerings by the transfer of account balances currently allocated to the deferred compensation plan insurance fund. The aggregate number of options available for grant to the designated managers equals 10% of the number of fully diluted shares of our Class A common stock and Class B common stock outstanding at the time of the merger, including all shares issuable upon exercise of outstanding options and warrants. The options to be issued to designated managers will have an exercise price of $16.00 per share and have a term of 10 years. Twenty percent of the options will vest on each of the first five anniversaries of the merger and all unvested options will vest if there is a change in control of us. The number of shares that a designated manager must subscribe for in order to receive a grant of options will be reduced by the number of deferred compensation plan stock fund units acquired by the designated manager by the transfer of account balances currently allocated to the deferred compensation plan insurance fund. The number of shares that must be purchased by each of our executive officers if he wants to receive a grant of options are as follows:

- Raymond Wirta--62,500 shares
- Brett White--51,563 shares
- James Leonetti--6,250 shares
- Walter Stafford--18,750 shares

If the executive officer purchases the minimum number of shares that are required to receive a grant of options, then he will receive a grant of options equal to the following percentage of the total number of options available for grant to designated managers:

- Raymond Wirta--10.25%
- Brett White--8.25%
- James Leonetti--1.00%
- Walter Stafford--3.00%

For additional information regarding the grants of options to designated managers and the terms of the options, you should read the sections of this prospectus titled "The Offering--Description of the Offerings" and "Description of Offering Documents--Option Agreement."

Full-Recourse Note. In connection with the offering of shares for direct ownership, under specified circumstances, each designated manager may use a full-recourse note as payment for a portion of the offering price for shares that he or she purchases. The maximum amount of the full-recourse note that may

be used by a designated manager will be reduced by the amount, if any, of the manager's deferred compensation plan account balance currently allocated to the insurance fund that he or she transfers to stock fund units. Unless our board of directors determines otherwise, the designated manager will be able to use a full-recourse note if the designated manager subscribes for at least a percentage of 625,000 shares that is allocated to the designated manager by our board of directors. The percentage of these shares allocated to each of our executive officers is indicated in the section above titled "Grants of Stock Options." Based upon these percentages, the minimum number of shares that each of our executive officers would need to purchase in the offering of shares for direct ownership to be able to use a full-recourse note are the following:

- Raymond Wirta--62,500 shares
- Brett White--51,563 shares
- James Leonetti--6,250 shares
- Walter Stafford--18,750 shares

If each executive officer purchases the minimum numbers of shares described above, then the maximum amount of the full-recourse notes that each of the executive officers may use as payment for a portion of the shares he purchases in the offering of shares for direct ownership is the following:

- Raymond Wirta--$500,000
- Brett White--$412,500
- James Leonetti--$50,000
- Walter Stafford--$150,000

In the event that an executive officer delivers a full-recourse note as payment for a portion of his or her shares purchased for direct ownership, he or she will have to pledge as security for the note a number of shares having an offering price equal to 200% of the amount of the note. For additional information regarding the delivery of full-recourse notes by designated managers and the terms of the notes and the pledge agreements, you should read the sections of this prospectus titled "The Offering--Description of the Offerings," "Description of Offering Documents--Full-Recourse Note" and "--Pledge Agreement."

Deferred Compensation Plan. Our designated managers will have the right to transfer into stock fund units an aggregate of up to $2.6 million of deferred compensation plan account balances that are currently allocated to the insurance fund under the deferred compensation plan. We are offering up to 162,500 shares of our Class A common stock that are issuable to these holders of stock fund units upon future distributions under the deferred compensation plan.

Retention Bonuses

In connection with the merger transactions, we will award cash retention bonuses to the designated managers employed by us at the time of the merger in order to provide an incentive and a reward for the designated managers' continued service up to and including the merger. The aggregate amount of the retention bonuses will be approximately $1.6 million. The following executive officers will be among the designated managers receiving cash retention bonuses in excess of $60,000: Raymond Wirta--$164,000 and Brett White--$132,000.

Forgiveness of Loans

Pursuant to CB Richard Ellis Services' Equity Incentive Plan, a restricted stock purchase plan, shares of CB Richard Ellis Services common stock were purchased in 1998 and 2000 by some of CB Richard Ellis Services' executive officers and directors for a purchase price equal to the fair market value, which was paid by delivery of full-recourse promissory notes. The notes bear interest at the minimum federal rate, which may be forgiven if the executive's performance results in the award of a bonus, with approximately $7,500 in interest forgiven for each $10,000 bonus. The aggregate number, purchase price, interest rate, value and net value of the shares held by the individuals named below as of March 31, 2001, were as follows:

<TABLE>
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Name	Number of Shares	Aggregate Purchase Price	Interest Rate	Aggregate Value of Shares	Net Value
<S>	<C>	<C>	<C>	<C>	<C>

Brett White.....	25,000	$962,500	5.94%	$365,625	$(596,875)
Brett White.....	20,000	257,500	7.40	292,500	35,000
Raymond Wirta.....	30,000	386,250	7.40	438,750	52,500

</TABLE>

The shares vest at the rate of 5% per quarter commencing on the purchase date. As a result of bonuses paid in 2001, all interest on Brett White's and Raymond Wirta's promissory notes for 2000 were forgiven. In 1998, Brett White purchased 25,000 shares of common stock at a purchase price of $38.50 per share and in 2000, he purchased 20,000 shares of common stock for $12.875 per share, which were each paid for by the delivery of promissory notes. The notes bear interest at a rate of 5.94% and 7.4% per annum, respectively, which may be forgiven as previously described. As of December 31, 2000, Brett White held 45,000 shares which, net of the purchase price, had a negative value. The shares are subject to a right of repurchase by CB Richard Ellis Services, which right terminates with respect to 5% of the total number of shares each quarter commencing March 31, 1998, as to the 25,000 shares and September 30, 2000, as to the 20,000 shares. A First Amendment to the 1998 Promissory Note provides that the portion of the then outstanding principal in excess of the fair market value of the shares will be forgiven in the event that Brett White is an employee of CB Richard Ellis Services or its subsidiaries on November 16, 2002, and the fair market value of a share of our Class A and Class B common stock is less than $38.50 on November 16, 2002. In the event of any principal forgiveness, CB Richard Ellis Services will pay to Brett White an amount equal to any federal, state or local income tax liability resulting from the principal forgiveness. In August 2000, CB Richard Ellis Services loaned Brett White $75,000, which he repaid in March 2001 with interest at 9% per year.

Employment Agreements

In connection with the merger transactions, we will enter into three-year employment agreements with Raymond Wirta and Brett White, each of which will become effective upon the closing of the merger. For more information concerning the terms of these employment agreements, see "Management--Employment Agreements."

Transaction Fees

Under the terms of the contribution and voting agreement, in connection with advisory services related to the merger, the general partner of RCBA Strategic Partners, L.P. will receive from us a transaction fee of $3.0 million and Freeman Spogli & Co. Incorporated or its designee will receive a transaction fee of $2.0 million upon closing of the merger. The advisory services provided include, among other things, transaction and structuring analysis, financing analysis and the arrangement and negotiation of debt and equity financing. Each of Richard Blum and Claus Moller, who will be members of our board of directors after the merger, owns a beneficial interest in the general partner of RCBA Strategic Partners and would therefore have an interest in the transaction fee paid to this entity. Bradford Freeman, who will be one of our directors after the merger, owns a beneficial interest in Freeman Spogli & Co. Incorporated and would therefore have an interest in the transaction fee paid to Freeman Spogli & Co. Incorporated or its designee.

PRINCIPAL STOCKHOLDERS

Prior to the merger transactions, no shares of our Class A common stock will be issued and outstanding and 241,885 shares of our Class B common stock will be issued and outstanding, all of which are held directly by RCBA Strategic. For additional information regarding the persons that control RCBA Strategic, you should read footnote (2) to the table below.

The table below sets forth information regarding beneficial ownership of the shares of our Class A common stock and Class B common stock immediately after the closing of the merger. The table sets forth the number of shares beneficially owned, and the percentage ownership, for:

- each person that will own beneficially 5% or more of our Class A common stock or our Class B common stock;
- each of our directors after the merger that has currently been identified;
- the Named Executive Officers after the merger that have currently been identified; and
- all of our directors and executive officers as a group after the merger that has currently been identified.

As described in further detail in the sections of this prospectus titled "Management," between three and five directors that may be designated by RBCA Strategic and a director that will be chosen from among our real estate

brokerage employees currently have not been identified and, accordingly, these unidentified individuals are not included in the table below. Information with respect to beneficial ownership has been furnished by each director, officer or 5% stockholder, as the case may be. Except as otherwise noted below, the address for each person listed on the table is c/o CB Richard Ellis Services Inc., 200 North Sepulveda Boulevard, Suite 300, El Segundo, California 90245.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, which generally attributes beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In computing the number of shares beneficially owned by a person and the percent of ownership of that person, shares subject to options or warrants held by that person that are exercisable as of the date of the merger or will become exercisable within 60 days after the closing of the merger are deemed outstanding, while the shares are not deemed outstanding for purposes of computing percent ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Percentage ownership prior to these offerings is based on 13,205,614 shares of common stock outstanding after giving effect to the merger and assumes full subscription for the offerings. To the extent that any shares are issued upon exercise of options, warrants or other rights to acquire our capital stock that are outstanding upon the closing of the merger transactions or granted in the future or reserved for future issuance under our various stock plans, there will be further dilution to new investors.

<TABLE>
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	Number of Shares Beneficially Owned			Percentage of Shares Beneficially Owned After the Offerings		
Names of Beneficial Owners	Class A Common Stock	Class B Common Stock	Both Classes of Common Stock	Class A Common Stock	Class B Common Stock	Both Classes of Common Stock
<S>	<C>	<C>	<C>	<C>	<C>	<C>
5% Stockholders:						
The BLUM Funds (/1/)(/2/)(/5/).....	--	5,977,765	5,977,765	--	56.4%	45.3%
Freeman Spogli (/1/)(/3/).....	--	3,402,463	3,402,463	--	32.1	25.8
Donald Koll (/1/)(/4/)..	--	734,290	734,290	--	6.9	5.6
Frederic Malek (/1/)(/5/).....	--	397,873	397,873	--	3.8	3.0
DLJ Investment Funding, Inc. and other purchasers of our senior notes (/6/).....	521,847	--	521,847	18.9%	--	4.0
Directors and Named Executive Officers:						
Richard Blum (/2/)(/7/).....	--	5,977,765	5,977,765	--	56.4	45.3
Bradford Freeman (/3/)(/7/).....	--	3,402,463	3,402,463	--	32.1	25.8
James Leonetti (/7/)....	--	--	--	--	--	--
Claus Moller (/2/).....	--	5,977,765	5,977,765	--	56.4	45.3
Walter Stafford (/7/)...	--	--	--	--	--	--
Brett White (/1/)(/7/)..	--	58,575	58,575	--	*	*
Ray Wirta (/1/)(/7/)(/8/).....	--	556,590	556,590	--	5.2	4.2
All directors and executive officers as a group (includes 7 persons) (/7/).....	--	10,605,966	10,605,966	--	100%	80.3%

</TABLE>

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* Less than 1%

(1) As a result of the securityholders' agreement to which this party or its affiliate will be a party after the merger, this party, together with the other members of the buying group will be deemed to constitute a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934. Accordingly, each of the members of this group will be deemed to beneficially own 10,605,966 shares of our Class B common stock, which will represent 100% of our Class B common stock and approximately 80.3% of all

outstanding shares of our common stock.

(2) Includes 4,845,900 shares of our Class B common stock held by RCBA Strategic Partners, L.P. and 1,131,865 shares of our Class B common stock held by Blum Strategic Partners II, L.P. The sole general partner of RCBA Strategic Partners is RCBA GP, L.L.C. Richard Blum, Claus Moller and N. Colin Lind, are managing members of RCBA GP, L.L.C. Each of Messrs. Blum and Moller will be one of our directors. Except as to any pecuniary interest, each of Messrs. Blum, Moller and Lind disclaims beneficial interest of all of these shares. The sole general partner of Blum Strategic Partners II, L.P. is Blum Strategic GP II, L.L.C. The managing members of Blum Strategic GP II, L.L.C. include Richard Blum, Claus Moller and N. Colin Lind. Each of Messrs. Blum and Moller will be one of our directors. Except as to any pecuniary interest, each of Messrs. Blum, Moller and Lind disclaims beneficial interest of all of these shares. The business address of RCBA Strategic Partners, L.P., RCBA GP, L.L.C., Blum Strategic Partners II, L.P., Blum Strategic GP II, L.L.C., Richard Blum, Claus Moller and N. Colin Lind is 909 Montgomery Street, Suite 400, San Francisco, California 94133. The BLUM Funds have sole dispositive power over 5,977,765 of the indicated shares. As a result of the securityholders' agreement, the BLUM Funds have shared voting power over 5,977,765 of the indicated shares.

(3) Includes 3,278,447 shares of our Class B common stock held by FS Equity Partners III, L.P. and 124,016 shares of our Class B common stock to be held by FS Equity Partners International, L.P. As general partner of FS Capital Partners, L.P., which is general partner of FSEP III, FS Holdings, Inc. has power to vote and dispose of the shares owned by FSEP III. As general partner of FS&Co. International, L.P., which is the general partner of FSEP International, FS International Holdings Limited has the power to vote and dispose of the shares owned by FSEP International. Bradford Freeman, Ronald Spogli,

Frederick Simmons, William Wardlaw, John Roth and Charles Rullman, Jr. are the directors, officers and shareholders of FS Holdings and FS International Holdings, and may be deemed to be the beneficial owners of the shares of our Class B common stock, and rights to acquire common stock, owned by FSEP III and FSEP International. The business address of FSEP III, FS Capital Partners, L.P. and FS Holdings and their directors, officers and beneficial owners is 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, California 90025. The business address of FSEP International, FS&Co. International and FS International Holdings is c/o Paget-Brown & Company, Ltd., West Winds Building, Third Floor, Grand Cayman, Cayman Islands, British West Indies. As a result of the securityholders' agreement, FS Equity Partners III, L.P. and FS Equity Partners International, L.P. have shared voting power and shared dispositive power over 3,402,463 of the indicated shares.

(4) Consists of 734,290 shares of Class B common stock owned by The Koll Holding Company. Mr. Koll is the sole trustee of the Donald M. Koll Separate Property Trust, which wholly owns The Koll Company, which wholly owns The Koll Holding Company. Ray Wirta, who will be our Chief Executive Officer and a director, holds an option granted by The Koll Holding Company to acquire up to 521,590 of these shares of Class B common stock owned by The Koll Holding Company.

(5) Includes 98,000 shares owned by a trust for which Mr. Malek is the trustee. As a result of the securityholders' agreement, Mr. Malek has shared voting power and shared dispositive power over 397,873 of the indicated shares.

(6) Includes shares of our Class A common stock to be received by DLJ Investment Funding, Inc. in connection with its commitment to purchase our senior notes. In addition, assumes all 339,820 shares of our Class A common stock sold pursuant to the offering of our 16% senior notes and related Class A common stock are purchased by DLJ Investment Funding, Inc.

(7) Does not include shares of Class A common stock to be purchased in the offerings to our employees. The amount of shares of our Class A common stock to be purchased by its Named Executive Officers and directors in connection with these offerings will not be determined until after the date of this offering circular.

(8) Includes 521,590 shares owned by The Koll Holding Company that Mr. Wirta has the right to acquire under an option granted by The Koll Holding Company to Mr. Wirta. Mr. Wirta has shared voting power and shared dispositive power over 556,590 of the indicated shares.

DESCRIPTION OF CAPITAL STOCK

We are authorized to issue an aggregate of 100,000,000 shares of common stock, consisting of 75,000,000 shares of Class A common stock, $0.01 par value per share, and 25,000,000 shares of Class B common stock, $0.01 par value per share. The following description summarizes information regarding our capital stock. This information does not purport to be complete and is subject in all respects to the applicable provisions of the Delaware General Corporation Law, our restated certificate of incorporation and our bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part.

Common Stock

As of June 29, 2001, we had 241,885 shares of our Class B common stock outstanding all of which were held of record by RCBA Strategic.

All outstanding shares of our common stock are fully paid and nonassessable, and the shares of common stock to be issued upon the closing of the offerings will be fully paid and nonassessable.

Generally. Upon the closing of the offering, we will have a dual class common stock structure. The holders of Class A common stock and Class B common stock will have the same rights. Class B common stock will be issued only to members of the buying group. All other stockholders, including purchasers in these offerings, will be issued Class A common stock.

Voting Rights. Each share of Class A common stock entitles the holder to one vote in all matters submitted to a vote of stockholders. Each share of Class B common stock entitles the holder to ten votes in all matters submitted to a vote of stockholders. There is no cumulative voting. Except as required by applicable law, the holders of Class A common stock and the holders of Class B common stock will vote together on all matters submitted to a vote of the stockholders. In the event that any amendment to the certificate of incorporation is proposed that would alter or change the powers, preferences or special rights of either class of our common stock so as to affect them adversely, we must obtain the approval of a majority of the votes entitled to be cast by the holders of the outstanding shares of the class affected by the proposed amendment. In addition, the number of authorized shares of Class A common stock or Class B common stock may be increased or decreased, but not below the number of shares then outstanding, by the affirmative vote of the holders of a majority in voting power of our outstanding shares of capital stock entitled to vote generally in the election of directors.

Dividends. Holders of Class A common stock and Class B common stock are entitled to receive ratably any dividends that may be declared from time to time by the board of directors out of funds legally available for that purpose. In the event that a dividend or distribution is paid or distributed with respect to one class of common stock, a simultaneous dividend or distribution will be paid or distributed on the other class and in the same proportion. However, in the case of dividends or other distributions payable in common stock, only shares of Class A common stock will be paid or distributed with respect to Class A common stock and only shares of Class B common stock will be paid or distributed with respect to Class B common stock. We may not subdivide or combine shares of either class of our common stock without at the same time proportionally subdividing or combining shares of the other class.

Changes in Capitalization. In the event there is an increase or decrease in the number of issued shares of common stock resulting from any stock split, stock dividend, reverse stock split, combination or reclassification of our common stock, or any other similar event resulting in an increase or decrease in the number of outstanding shares of common stock, the outstanding shares of Class A common stock and the outstanding shares of Class B common stock will be adjusted in the same manner.

Conversion. As long as shares of Class B common stock are outstanding, a holder of Class B common stock may at any time convert any shares of Class A common stock the holder owns, in whole or in part, on a

share for share basis into the same number of shares of Class B common stock. A holder of Class B common stock may at any time convert any shares of Class B common stock it owns, in whole or in part, on a share for share basis into the same number of shares of Class A common stock. In the event of a transfer of shares of Class B common stock to any person or entity other than a permitted transferee, each share of Class B common stock so transferred will be converted automatically into one share of Class A common stock. For the purposes of a transfer of capital stock, the permitted transferees include the BLUM Funds and their affiliates, any person or entity that owned Class B common stock at the effective time of the merger and any single person or entity to which a current Class B common stock holder transfers its right to be a permitted holder and

all of its Class B common stock. The Class B common stock converts automatically into Class A common stock on a share for share basis upon the closing of a qualifying initial public offering.

Mergers and Other Business Combinations. Subject to the next sentence, unless otherwise approved by a majority of the votes entitled to be cast by the holders of the outstanding shares of Class A common stock and the outstanding shares of Class B common stock, each voting separately as a class, all shares of Class A common stock and Class B common stock will be entitled to receive equally on a per share basis the same kind and amount of consideration in the event of any merger, reorganization or consolidation of us with any company. In the event that one or more of the other corporations or entities that is a party to a merger or similar transaction with us deems it necessary for the merger to be treated as a recapitalization for financial accounting purposes and for us to no longer be subject to the reporting requirements of Section 14 of the Exchange Act after the closing date of the merger, then, solely to the extent deemed necessary by the other corporation or entity to satisfy these requirements, the kind of consideration that a holder of a share of Class A common stock would be entitled to receive may be different than the kind of consideration that a holder of a share of Class B common stock would be entitled to receive.

Liquidation. In the event of liquidation, dissolution or winding up, the holders of Class A common stock and Class B common stock are entitled to share ratably in all assets remaining after the payment of liabilities.

Other Agreements. In connection with the merger transactions, the buying group will enter into a securityholders' agreement with us that includes covenants regarding the voting of their shares and provides for co-sale, required sale, participation and registration rights. Holders of Class B common stock have participation rights in future equity issuance pursuant to the terms of the securityholders' agreement. See "The Merger Transactions--Securityholders' Agreement."

In addition, shares of our common stock are subject to significant restrictions on transfer pursuant to the terms of the subscription agreements. See "Description of the Offering Documents--Subscription Agreements--General Transfer Restrictions."

Options

Grants of Options to Designated Managers

In connection with the offering of shares for direct ownership to our designated managers, we will grant options to designated managers to acquire up to an aggregate of 1,820,397 shares of our Class A common stock. The exercise price for each of the options granted to designated managers will be $16.00 per shares.

Vesting Schedule. Subject to the designated manager's continued employment with us, the options will vest and become exercisable in 20% increments on each of the first five anniversaries of the grant date. The options will not be exercisable prior to their vesting. Upon a change of control, all of these options will become fully vested and exercisable.

Term of Option. Subject to the designated manager's continued employment with us, the options will have a term of ten years.

Transferability. The options are non-transferable and can only be exercised by the designated manager or his or her estate.

Option Agreement. Each designated manager who receives a grant of options to acquire our Class A common stock will be required to sign and deliver an option agreement, the terms of which are described in the section of this prospectus titled "Description of Offering Documents--Option Agreement."

2001 Stock Incentive Plan. All of these options are intended to be non-qualified stock options and are not intended to be treated as options that comply with Section 422 of the Internal Revenue Code of 1986, which means that the designated manager will be subject to taxation at ordinary rates upon exercise of the stock options. The options will be granted and the shares underlying the options will be issued under our 2001 Stock Incentive Plan, which is described in the section of this prospectus titled "Description of the Plans--2001 Stock Incentive Plan."

Grants of Options to Employees

Options to acquire up to an aggregate of 910,199 shares of our Class A common stock to our employees will be available to employees in the discretion of our board of directors. The exercise price for each of the options granted to employees will be $50.00 per share.

Term of Option. Subject to the employee's continued employment with us, the options will have a term of five years.

Option Agreement. The terms of the option agreement will be established by our board of directors prior to a grant of these options.

2001 Stock Incentive Plan. The options will be granted and the shares underlying the options will be issued under our 2001 Stock Incentive Plan, which is described in the section of this prospectus titled "Description of the Plans--2001 Stock Incentive Plan."

Warrants

Upon completion of the merger, we will issue warrants to Freeman Spogli at an exercise price of $30.00 per share to purchase up to an aggregate of the number of shares of our Class B common stock equal to the number that represents the same percentage of the total outstanding shares of our Class B common stock immediately after consummation of the merger as 364,884 shares of CB Richard Ellis Services common stock, which Freeman Spogli is entitled to acquire under existing warrants, represent of the total outstanding shares of CB Richard Ellis Services common stock prior to the consummation of the merger. These warrants have both optional and automatic net exercise provisions under which, instead of payment of the exercise price in cash, Freeman Spogli surrenders the warrant and receives a net amount of shares based on the fair market value of our Class B common stock at the time of the exercise of the warrant, after deducting the aggregate exercise price. The automatic net exercise is triggered upon a qualifying initial public offering, among other events. These warrants also have customary anti-dilution provisions.

Registration Rights

Upon completion of the offering, the holders of an aggregate of (a) 521,847 shares of Class A common stock and (b) 10,869,993 shares of Class B common stock, including 264,027 shares issuable upon exercise of outstanding warrants, or 14,106,632 shares in the event that no shares are purchased in the offerings, will be entitled to rights with respect to the registration of these shares under the Securities Act of 1933. Specifically, we are granting demand and piggyback registration rights to the BLUM Funds, Freeman Spogli and DLJ Investment Funding, Inc. and other purchasers of our senior notes in connection with the merger transactions. Under the terms of the securityholders' agreement which provides for these registration rights, if we propose to register any of our securities for resale under the Securities Act, either for our own account or for the account of other securityholders exercising registration rights, all holders of registrable securities are entitled to notice of this registration and are entitled to include shares of common stock in the registration. The registration rights

are subject to conditions and limitations, among them the right of the underwriters of an offering subject to the registration to limit the number of shares included in the offering. These holders may also require us to file a registration statement under the Securities Act of 1933 at our expense with respect to their shares of common stock and we are required to use our best efforts to effect this registration, subject to conditions and limitations. A holder's registration rights will terminate if we have completed a qualifying initial public offering, the holder holds less than 2% of our outstanding common stock and the holder is entitled to sell all of its shares in any 90 day period under Rule 144 of the Securities Act. See "The Merger Transactions--Securityholders' Agreement--Registration Rights" for more information concerning these rights.

Adjustments

The following is a summary of certain provisions of an anti-dilution agreement to be entered into by us and the initial purchasers of our senior notes and the related Class A common stock. This description does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the anti-dilution agreement, which is filed as an exhibit to this Registration Statement.

Pursuant to this anti-dilution agreement, the holders of our Class A common stock related to the senior notes shall have the right to purchase, at a price equal to their par value, additional shares of Class A common stock upon the occurrence of certain events including:

(i) the issuance of our common stock, options, warrants or other securities convertible into or exchangeable or exercisable for shares of our common stock or of rights, options or warrants entitling them to

subscribe for shares of our common stock or securities convertible into, or exchangeable or exercisable for, our common stock, in each case, at a price which is less than the Current Market Price per share (as defined below) of our common stock; and

(ii) the issuance of shares of capital stock of our subsidiaries, including upon the exercise of stock options, other than to us or any of our wholly-owned restricted subsidiaries.

The right to purchase additional shares of Class A common stock is subject to important exceptions, including, without limitation, upon:

(a) issuances of common stock pursuant to bona fide public offerings; and

(b) issuances of common stock pursuant to certain employee stock purchase programs.

If we consolidate or merge with or into, or transfer or lease all or substantially all of our assets to, any person, and in connection with such transaction the holders receive common stock of another entity or option, warrants or other securities convertible into or exchange for common stock of another entity, then upon consummation of such transaction, the right to purchase additional shares will automatically become applicable to the common stock of such entity.

If any event shall occur as to which the provisions of the anti-dilution agreement are not strictly applicable but the failure to make any adjustment would adversely affect the adjustment rights represented by the shares in accordance with the essential intent and principles of the anti-dilution agreement, then, in each case, CBRE Holding will appoint an investment banking firm of recognized national standing, or any other financial expert that does not (or whose directors, officers, employees, affiliates or stockholders do not) have a direct or material indirect financial interest in us or any of our subsidiaries, who has not been, and, at the time it is called upon to give independent financial advice to us, is not (and none of its directors, officers, employees, affiliates or stockholders is) a promoter, director or officer of us or any of our subsidiaries, which shall give its opinion upon the adjustment, if any, on a basis consistent with the essential intent and principles established in the anti-dilution agreement necessary to preserve, without dilution, the rights of holders of the shares.

Current Market Price. Current market price per share of any class of our common stock at any date shall mean the average of the Quoted Prices of the common stock for 30 consecutive trading days commencing

45 trading days before the date in question. The "Quoted Price" of our common stock is the last reported sales price of our common stock on a securities exchange if such common stock is then listed on a securities exchange, which shall be for consolidated trading if applicable to such exchange, the last reported sales price of the common stock as reported by Nasdaq, or, if neither so reported or listed, the last reported bid price of the common stock. In the absence of one or more such quotations, our board of directors will determine the current market price (i) based on the most recently completed arm's-length transaction between us and a person other than our affiliate and the closing of which occurs on such date or shall have occurred within the six months preceding such date, (ii) if no such transaction shall have occurred on such date or within such six month period, the value of the security most recently determined as of a date within the six months preceding such date by Houlihan Lokey Howard & Zukin Financial Advisors, Inc., or another nationally recognized investment banking firm or appraisal firm which is not our affiliate (an "Independent Financial Advisor") or (iii) if neither clause (i) nor (ii) is applicable, the value of the security determined as of such date by an Independent Financial Advisor. For purposes of stock options, the current market price per share of any class of our common stock issuable upon exercise of such options shall be determined (i) prior to the first bona fide public offering of our common stock, by the board or directors in good faith and (ii) after the first bona fide public offering of our common stock, by reference to the Quoted Price of our common stock on the trading day immediately proceeding the date of grant or issuance of such option.

No adjustment in the number of shares need be made unless the adjustment would require and increase or decrease of at least 1% in the number of shares

held by each holder. Any adjustment that is not made will be carried forward and taken into account in any subsequent adjustment.

Inapplicability of Anti-Takeover Provisions of Delaware Law

We have "opted out" of the protections of Section 203 of the Delaware General Corporation Law in our restated certificate of incorporation. Section 203 is an anti-takeover law that could otherwise make the acquisition of us, through a tender offer, a proxy contest or other means, and the removal of incumbent officers and directors, more difficult.

Transfer Agent

The transfer agent for our Class A common stock is The Bank of New York located at 101 Barclay Street, 12W, New York, NY 10286 and its telephone number is (212) 815-2448.

DESCRIPTION OF INDEBTEDNESS

In connection with the merger, we will issue the 65,000 units described below and CB Richard Ellis Services will enter into a new senior secured credit agreement described below. In addition, BLUM CB Corp. has issued 11 1/4% Senior Subordinated Notes due 2011. Finally, under the circumstances described below, a portion of the currently outstanding 8 7/8% Senior Subordinated Notes due 2006 may remain outstanding after the merger.

16% Senior Notes Due 2011 and Related Class A Common Stock

In connection with the merger transactions, we will issue 65,000 units, consisting of $65.0 million in aggregate principal amount of 16% senior notes due 2011 and 339,820 shares of Class A common stock, to DLJ Investment Funding, Inc. and certain other purchasers. We will also issue 182,019 shares of our Class A common stock to DLJ Investment Funding, Inc. in connection with the commitment it made to purchase our 16% senior notes. The senior notes will be unsecured obligations, senior to all of our current and future unsecured indebtedness, but will be effectively subordinated to all current and future indebtedness of CB Richard Ellis Services. The net proceeds from the units will be contributed to CB Richard Ellis Services as equity. The senior notes will be governed by an indenture between us and State Street Bank and Trust Company of California, N.A., as trustee, and will mature in 2011.

Interest will accrue at a rate of 16% per year and be payable quarterly in cash in arrears. However, until the fifth anniversary of the issuance of the senior notes, interest in excess of 12% for the senior notes may be paid in kind, and at any time, interest may be paid in kind to the extent that CB Richard Ellis Services' ability to pay us cash dividends is restricted by the terms of its senior secured credit facilities, which are described below. There are no mandatory sinking fund payments for the senior notes.

The senior notes will be redeemable at our option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' notice. The redemption price, expressed as a percentage of the principal amount, will be as set forth in the table below, plus accrued and unpaid interest, if redeemed during the twelve-month period commencing on the anniversary of the issue date of these notes of the year below:

<TABLE>
<CAPTION>

Year	Percentage
<S>	<C>
2001	116.0%
2002	112.8
2003	109.6
2004	106.4
2005	103.2
2006 and thereafter	100.0

</TABLE>

In the event of a change of control, which will be defined in the indenture, we will be obligated to make an offer to purchase all outstanding senior notes.

The indenture governing the senior notes will contain customary restrictive covenants for high yield securities, including, among others, limitations on the following activities by us and our subsidiaries:

- payments of dividends or distributions to stockholders or the repurchase of equity or debt that is junior to the senior notes;
- indebtedness and issuance of subsidiary equity;
- consolidation or merger;
- transactions with affiliates;
- liens; and
- disposition of assets.

The holders of the senior notes will have registration rights with respect to the senior notes.

This summary of the material provisions of our senior notes is qualified in its entirety by reference to all of the provisions of the indenture governing the senior notes, which has been filed as an exhibit to the registration statement of which this prospectus forms a part. See "Where You Can Find Additional Information About Us."

CB Richard Ellis Services Senior Secured Credit Facilities

In connection with the merger transactions, CB Richard Ellis Services will enter into a credit agreement for which Credit Suisse First Boston, or CSFB, will serve as the administrative and collateral agent, bookrunner and the lead arranger. In connection with the merger and afterwards to fund our working capital, we will draw upon the senior credit facilities which will consist of the following:

- Tranche A term facility of up to $50.0 million;
- Tranche B term facility of up to $175.0 million; and
- a revolving line of credit up to $100.0 million, including revolving credit loans, letters of credit and a swingline loan subfacility.

The senior secured credit facilities will be jointly and severally guaranteed by us and certain of our subsidiaries, including future domestic subsidiaries, and will be secured by substantially all the assets of us and all our domestic subsidiaries, provided that neither CB Richard Ellis Services nor any domestic subsidiary will pledge more than 65% of the voting stock of any foreign subsidiary.

The Tranche A term facility will mature on the sixth anniversary of the closing date and amortize in equal quarterly installments in the following annual amounts: $7.5 million in years one and two and $8.75 million thereafter. The Tranche B term facility will mature on the seventh anniversary of the closing date of the merger and amortize in equal quarterly installments in an annual amount equal to 1% of the outstanding principal amount on the closing date with the balance payable on the maturity date. The revolving line of credit terminates on the sixth anniversary of the closing date.

Borrowings under the senior secured credit facilities will bear interest at varying rates based, at our option, on either LIBOR plus 3.25% or the alternate base rate plus 2.25%, in the case of Tranche A and the revolving facility, and LIBOR plus 3.75% or the alternate base rate plus 2.75%, in the case of Tranche B. The alternate base rate is the higher of (1) CSFB's prime rate or (2) the effective rate for federal funds plus one-half of one percent. After delivery of our consolidated financial statements for the year ended December 31, 2001, the amount added to the LIBOR rate or the alternate base rate under the Tranche A and revolving facility will vary, from 2.50% to 3.25% for LIBOR and from 1.50% to 2.25% for the alternate base rate, as determined by reference to our ratios of total debt less available cash to EBITDA. The interest rate margins described above are subject to change until the terms of the credit agreements are finalized.

We will be required to pay to the lenders under the senior secured credit facilities a commitment fee on the average unused portion of the revolving credit facility and a letter of credit fee on each letter of credit outstanding. We also will be required to apply proceeds of sales of assets, issuances of equity, incurrences of debt, and excess cash flow or material assets to the prepayment of the term loans, subject to limited exceptions, as well as excess cash flow to the lenders under the senior secured credit facilities.

The credit agreement for the senior secured credit facilities will contain customary restrictive covenants for a credit agreement, including, among others, limitations on the following activities by us, CB Richard Ellis

Services and its subsidiaries:

- dividends on, and redemptions and repurchases of, capital stock;

- prepayments, redemptions and repurchases of debt;

- liens and sale-leaseback transactions;

- loans and investments;

- indebtedness;

- mergers, acquisitions and asset sales;

- transactions with affiliates;

- changes in lines of business; and

- capital expenditures.

In addition, the credit agreement will also contain covenants that require us to maintain specified financial ratios, including the following ratios:

- total debt less available cash to EBITDA

- total senior debt less available cash to EBITDA

- EBITDA to interest expense plus expense associated with dividends paid to us to pay amounts due under our 16% senior notes due 2011; and

- adjusted EBITDA to fixed charges.

This summary of the material provisions of the credit agreement is qualified in its entirety by reference to all of its provisions, which has been filed as an exhibit to the registration statement of which this prospectus forms a part. See "Where You Can Find Additional Information About Us."

CB Richard Ellis Services' 8 7/8% Senior Subordinated Notes

CB Richard Ellis Services currently has outstanding senior subordinated notes due June 1, 2006. The $175.0 million principal amount of these senior subordinated notes bears annual interest of 8 7/8%. These notes are governed by an indenture between CB Richard Ellis Services and State Street Bank and Trust Company of California, National Association. Interest on the 8 7/8% senior subordinated notes is payable semiannually on each June 1 and December 1. There are no mandatory sinking fund payments for the notes.

Pursuant to the merger agreement, CB Richard Ellis Services commenced a tender offer to repurchase all of the outstanding 8 7/8% senior subordinated notes and a solicitation of consents from the holders of the outstanding 8 7/8% senior subordinated notes to amend the indenture governing the 8 7/8% senior subordinated notes to permit the merger transactions contemplated by the merger agreement. At 5:00 p.m. New York City time on June 8, 2001 the consent solicitation period for the 8 7/8% senior subordinated notes expired. As of that time, a majority of the holders of 8 7/8% senior subordinated notes had consented to the amendments to the indenture and had tendered their notes. Accordingly, CB Richard Ellis Services intends promptly to execute a supplemental indenture, which will include amendments that substantially modify or eliminate the restrictive covenants in the indenture. Also on June 8, 2001 CB Richard Ellis Services extended its offer to purchase the 8 7/8% senior subordinated notes through 12:00 noon New York City time on July 18, 2001. In the event that not all of the 8 7/8% senior subordinated notes are tendered, the notes not tendered will remain outstanding after the consummation of the merger. In addition, the aggregate amount of term commitments under the credit agreement will be reduced by the amount of 8 7/8% senior subordinated notes not tendered. For more information, see "CB Richard Ellis Services Senior Secured Credit Facilities" described above.

At any time after June 1, 2002, the 8 7/8% senior subordinated notes will be redeemable, in whole or in part, at our option. The redemption price, expressed as a percentage of the principal amount, will be as set forth in the table below, plus accrued and unpaid interest, if redeemed during the twelve-month period commencing June 1st of the year below:

<TABLE>
<CAPTION>

Year	Percentage
<S>	<C>
2002	104.4%

2003	102.9
2004	101.4
2005 and thereafter	100.0

This summary of the material provisions of CB Richard Ellis Services' 8 7/8% senior subordinated notes is qualified in its entirety by reference to all of the provisions of the indenture governing these notes, which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

BLUM CB Corp.'s 11 1/4% Senior Subordinated Notes Due 2011

In connection with the merger, BLUM CB Corp. issued $229.0 million in aggregate principal amount of 11 1/4% senior subordinated notes due 2011, which we refer to as the 11 1/4% senior subordinated notes, on June 7, 2001 for net proceeds of $225.6 million. The 11 1/4% senior subordinated notes are its unsecured senior subordinated obligations, and will rank equally in right of payment with any of BLUM CB Corp.'s future senior subordinated unsecured indebtedness, but will be subordinated to any senior indebtedness of BLUM CB Corp. The 11 1/4% senior subordinated notes are governed by an indenture between us, BLUM CB and State Street Bank and Trust Company of California, N.A., as trustee, and will mature in 2011. If the merger transactions are consummated on or prior to the 75th day after the issuance of the 11 1/4% senior subordinated notes, the proceeds from the sale of the 11 1/4% senior subordinated notes will be released from the escrow account into which they were deposited on June 7, 2001, and CB Richard Ellis Services will assume the obligations under these notes.

Interest will accrue at a rate of 11 1/4% per year and be payable semiannually in arrears on June 15 and December 15, commencing on December 15, 2001. Interest will accrue on the 11 1/4% senior subordinated notes from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360 day year comprised of twelve 30-day months.

There are no mandatory sinking fund payments for the 11 1/4% senior subordinated notes. We may at any time and from time to time purchase the 11 1/4% senior subordinated notes in the open market or otherwise.

We, and concurrently with the merger, each subsidiary guarantor, have agreed to guarantee the 11 1/4% senior subordinated notes on a senior subordinated basis. The guarantees by the guarantors of the notes will be subordinated to all existing and future senior indebtedness, including guarantees of the senior credit facilities, of such guarantors. If the merger is not consummated within 75 days of the issuance of the 11 1/4% senior subordinated notes or the merger agreement is terminated at any time prior thereto, a special mandatory redemption of the notes will be required and none of CB Richard Ellis Services' subsidiaries will guarantee the notes.

Except as discussed below, the notes cannot be redeemed prior to June 15, 2006.

Until June 15, 2004, the 11 1/4% senior subordinated notes may be redeemed on one or more occasions in an amount not to exceed 35% of the principal amount of all issued 11 1/4% senior subordinated notes at a redemption price of 111 1/4%, plus accrued and unpaid interest to the redemption date, with the cash proceeds raised in public equity offerings, as long as:

- at least 65% of the aggregate principal amount of the 11 1/4% senior subordinated notes, including any additional 11 1/4% senior subordinated notes, remains outstanding after each redemption;

- if the money is raised in an equity offering by us, then we must contribute to the issuer an amount sufficient to redeem the 11 1/4% senior subordinated notes; and

- the 11 1/4% senior subordinated notes are redeemed within 90 days after the completion of the related equity offering.

On and after June 15, 2006, all or a portion of the 11 1/4% senior subordinated notes will be redeemable at the issuer's option, upon not less than 30 nor more than 60 days' notice. The redemption price, expressed as a percentage of the principal amount on the redemption date, will be as set forth in the table below, plus accrued and unpaid interest, if redeemed during the twelve-month period commencing June 15 of the year below:

Year	Percentage
2006	105.625%

2007	103.750
2008	101.875
2009 and thereafter	100.000

In the event of a change of control, as defined in the indenture, the issuer will be obligated to make an offer to purchase all outstanding 11 1/4% senior subordinated notes at a redemption price of 101% of the principal amount, plus accrued interest.

The indenture governing the 11 1/4% senior subordinated notes will contain customary restrictive covenants for high yield securities, including, among others, limitations on the following activities by the issuer and its subsidiaries:

- incurrence of additional indebtedness;
- payments of dividends or distributions to stockholders or the repurchase of equity or debt that is junior to the 11 1/4% senior subordinated notes;
- restrictions on distributions from subsidiaries;
- sales of assets and subsidiary stock;
- transactions with affiliates;
- issuance of subsidiary equity; and
- consolidation or merger.

Within 90 days of the merger, BLUM CB Corp. has agreed:

- to file an exchange offer registration statement with the SEC with respect to a registered offer to exchange the 11 1/4% senior subordinated notes for new notes of CB Richard Ellis Services;
- to use its reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 180 days of the effective date of the merger;
- as soon as practicable after the effectiveness of the exchange offer registration statement, to offer the new notes in exchange for surrender of the 11 1/4% senior subordinated notes; and
- to keep the registered exchange offer open for not less than 20 business days after the date notice of the registered exchange offer is mailed to the holders of the 11 1/4% senior subordinated notes.

This summary of the material provisions of our 11 1/4% senior subordinated notes is qualified in its entirety by reference to all of the provisions of the indenture governing the 11 1/4% senior subordinated notes, which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

SHARES ELIGIBLE FOR FUTURE SALE

After this offering, we will have an aggregate of 13,205,614 shares of Class A and Class B common stock outstanding. This includes the 2,077,801 shares of Class A common stock that we are offering for direct ownership and for ownership through the CB Richard Ellis Services 401(k) plan. Also after the offerings, assuming all 1,158,838 stock fund units being offered are subscribed for, there will be up to 2,003,733 shares of our Class A common stock issuable, subject to applicable vesting requirements, as a result of elections made under the CB Richard Ellis Services deferred compensation plan.

Prior to the earlier of the tenth anniversary of the merger and 180 days after the closing date of an underwritten initial public offering following which our Class A common stock is listed on a national securities exchange or the Nasdaq National Market, shares of our Class A common stock will be subject to significant restrictions on transfer pursuant to the terms of the subscription agreements. For more information concerning these transfer restrictions, see "Description of the Offering Documents--Subscription Agreements--General Transfer Restrictions."

In connection with the offering of direct ownership shares to our designated managers, we will grant to the designated managers up to an aggregate of 1,820,397 options to acquire shares of our Class A common stock at an exercise price of $16.00 per share. For more information, see "The Offerings--Description of the Offerings--Grants of Stock Options to Designated Managers." Our board of directors will also have discretion to grant to our employees options to acquire up to an aggregate of 910,199 shares of our Class A common stock at a purchase price of $50.00 per share. We will also grant options to

acquire our Class A common stock and shares of our Class A common stock under our 2001 Stock Incentive Plan in the future. Accordingly, we have reserved 1,092,239 shares of our common stock for future issuance under our stock incentive plan. See "Descriptions of the Plans--2001 Stock Incentive Plan." We will also issue warrants to Freeman Spogli to purchase up to an aggregate number of shares of our Class B common stock equal to the number that represents the same percentage of the total outstanding shares of common stock immediately after the merger as 364,884 shares of CB Richard Ellis Services common stock, which Freeman Spogli is entitled to acquire under existing warrants, represent of the total outstanding shares of CB Richard Ellis Services common stock. See "Description of Capital Stock--Warrants."

Demand and piggyback registration rights granted to the buying group, DLJ Funding, Inc. and its affiliates and other purchasers of our senior notes are described under the caption "The Merger Transactions--Securityholders' Agreement--Registration Rights" and "Description of Capital Stock--Registration Rights."

U.S. FEDERAL TAX CONSEQUENCES

The following describes the material U.S. federal income tax consequences of the merger and the offerings to individuals who are citizens or residents of the U.S. who acquire shares of our Class A common stock in the offerings. It does not address the U.S. federal income tax consequences of the merger or the offerings to non-U.S. persons. This discussion does not address all aspects of U.S. federal income taxes and does not deal with foreign, state and local tax consequences that may be relevant to you in light of your personal circumstances. Furthermore, the discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and regulations, rulings and judicial decisions promulgated thereunder as of the date hereof, and these authorities may be repealed, revoked or modified, possibly retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. Persons considering participating in the offerings should consult their own tax advisors concerning the U.S. federal income tax consequences in light of their particular situations as well as any tax consequences arising under the laws of any other taxing jurisdiction.

The Merger

This discussion applies to shares of CB Richard Ellis Services common stock that you own directly, including shares that you may have purchased with a loan from CB Richard Ellis Services. It does not apply to shares of CB Richard Ellis Services common stock underlying stock fund units in the CB Richard Ellis Services deferred compensation plan, shares of CB Richard Ellis Services common stock held in the CB Richard Ellis Services 401(k) plan, shares acquired through the CB Richard Ellis Services Special Incentive Plan or options to acquire shares of CB Richard Ellis Services common stock.

The merger of our subsidiary, BLUM CB Corp., into CB Richard Ellis Services will be treated for U.S. federal income tax purposes as a redemption of shares of CB Richard Ellis Services common stock to the extent of the consideration treated as received from CB Richard Ellis Services in the merger and as an acquisition of shares of CB Richard Ellis Services common stock by CBRE Holding to the extent of the consideration treated as received from us in the merger. The tax consequences to you of the merger may differ depending on the source of the consideration. We are not able to currently identify the portion of the consideration in the merger that will be received from CB Richard Ellis Services, on the one hand, and from CBRE Holding, on the other hand, but we expect that most of the consideration in the merger will be treated as received from CBRE Holding.

Assignment of Merger Proceeds

The following discussion assumes that either the shares of our Class A common stock that you acquire are vested or, if the shares are subject to our repurchase right, you will make a section 83(b) election with respect to those shares as required by the designated manager subscription agreement and described below in "--Shares Acquired in Connection with the Performance of Services--Acquisition of Shares Subject to Repurchase in the Offering."

To the extent you assign to us your right to receive cash proceeds in the merger attributable to your shares of CB Richard Ellis Services common stock (other than shares acquired through the Special Incentive Plan) in payment for shares of our Class A common stock that you acquire in the offerings, you should be treated as having exchanged those shares of CB Richard Ellis Services common stock for our Class A common stock as part of a transaction to which section 351 of the Code applies, which will include the contributions by and the issuance of our Class B common stock to the buying group. If section 351 is applicable:

- you should not recognize gain or loss on the exchange of those shares of CB Richard Ellis Services common stock for our Class A common stock; and

- your tax basis in our Class A common stock received should be equal to your tax basis in those shares of CB Richard Ellis Services common stock you exchanged.

The IRS might take the position that, notwithstanding your irrevocable assignment of your right to receive cash proceeds in the merger, you should be treated as having received the cash proceeds and, then, having reinvested them in our Class A common stock. In that case, you would be taxed on the cash proceeds that you would be treated as having received in the manner described in "--Cash Consideration Treated as received from CB Richard Ellis Services" and "--Cash Consideration Treated as received from CBRE Holding," even though you reinvested those proceeds in our Class A common stock.

You may be required by regulations under section 351 of the Code to retain records related to your CB Richard Ellis common stock and file with your U.S. federal income tax return a statement setting forth facts relating to the transactions.

Cash Consideration Treated as Received from CB Richard Ellis Services

To the extent that cash paid in the merger is treated as received in redemption of your shares of CB Richard Ellis Services common stock, you will recognize gain or loss equal to the difference between the cash received and the tax basis in the shares treated as redeemed only if you satisfy the requirements of section 302 of the Code. If you fail to satisfy the requirements of section 302, the cash treated as received in redemption of your shares of CB Richard Ellis Services common stock, without regard to gain or loss, would be treated as a dividend taxable as ordinary income to the extent of the current and accumulated earnings and profits of CB Richard Ellis Services.

A redemption of stock will satisfy the requirements of section 302 if:

- The redemption is "not essentially equivalent to a dividend", meaning that the redemption results in a meaningful reduction in your proportionate stock interest in CB Richard Ellis Services after the merger and the offerings as compared with your interest immediately before the merger and the offerings, taking into account both actual and constructive ownership of stock; or

- The redemption is "substantially disproportionate" with respect to you, meaning that, following the merger and the offerings, you own, actually and constructively, less than 80% of the amount of CB Richard Ellis Services stock that you owned, actually and constructively, immediately before the merger and the offerings; or

- The redemption results in a "complete termination" of your interest in CB Richard Ellis Services, meaning that all of the stock actually and constructively owned by you has been redeemed.

Following the merger, CB Richard Ellis Services will become our wholly-owned subsidiary and, therefore, you will no longer own any stock in CB Richard Ellis Services. Even if you acquire our stock in the offerings, you should not constructively own any of the stock of CB Richard Ellis Services that we will own because, under the relevant constructive ownership rule, you will own less than 50% of the value of our stock. Therefore, you should be able to satisfy the "complete termination" test with respect to your shares that are treated as redeemed by CB Richard Ellis Services in the merger. As a result, any gain or loss that you recognize on the redemption of those shares should be capital gain or loss if you hold your CB Richard Ellis Services shares as a capital asset and should be long-term capital gain or loss if you have held those shares for more than one year at the effective date of the merger.

Nonetheless, the IRS might take the position that all of the cash consideration that you receive in the merger should be treated as received from CBRE Holding for purposes of determining the tax consequences of the merger to you. In that case, as discussed below, under the applicable constructive ownership rules, you would be treated as owning a percentage of the stock of CB Richard Ellis Services that we will own following the merger even though you will own less than 50% of our stock. As a result, you would not be able to satisfy the "complete termination" test with respect to your ownership of CB Richard Ellis Services and would have to satisfy one of the other section 302 tests, after applying the constructive ownership rules of section 318 of the Code, as modified by section 304, to obtain gain or loss treatment and avoid dividend treatment on the cash

you receive in the merger. The application of section 302 of the Code and the constructive ownership rules of section 318 of the Code are complex and you should consult your own tax advisor as to their applicability to your particular circumstances.

Cash Consideration Treated as Received from CBRE Holding

Shareholders who, in the aggregate, own more than 50% of stock of CB Richard Ellis Services will, following the merger and the offerings, own, in the aggregate, more than 50% of our stock. Therefore, section 304 of the Code will apply to the extent that cash paid in the merger is treated as received from CBRE Holding by a shareholder of CB Richard Ellis Services who participates in the offerings. As a result, you will recognize gain or loss equal to the difference between the cash received and the tax basis in your shares of common stock of CB Richard Ellis treated as acquired by CBRE Holding only if you satisfy the requirements of section 302 of the Code, described above, with respect to your ownership of CB Richard Ellis Services. If you fail to satisfy the requirements of section 302, the cash treated as received from CBRE Holding for your shares of CB Richard Ellis Services common stock, without regard to gain or loss, would be treated as a dividend taxable as ordinary income to the extent of the current and accumulated earnings and profits of CB Richard Ellis Services and CBRE Holding.

However, unlike the rules applicable to cash treated as received in redemption of shares of CB Richard Ellis Services common stock, described above, in determining whether you satisfy the requirements of section 302 for purposes of section 304, you will be treated as owning a percentage of the stock of CB Richard Ellis Services that we will own following the merger based upon your actual and constructive ownership of our stock even though you will own less than 50% of our stock. Therefore, you will not be able to satisfy the "complete termination" test, described above. To obtain gain or loss treatment and avoid dividend treatment, you must satisfy one of the other section 302 tests.

To determine whether either of the other section 302 tests is satisfied, you must take into account not only the stock that you actually own, but also any stock you are deemed to own under the constructive ownership rules of section 318 of the Code. Under section 318, as modified by section 304, you are deemed to own:

- stock owned, directly or indirectly, by or for your spouse, children, grandchildren and parents;
- stock owned, directly or indirectly, by corporations, partnerships, estates or certain trusts (not including a trust under section 401(a), such as the trust under the CB Richard Ellis Services 401(k) plan), in proportion to your interest in each entity;
- a percentage of shares of CB Richard Ellis Services stock owned by us equal to the percentage by value of CBRE Holding stock that you own; and
- stock that you may acquire by exercise of currently vested options.

The application of section 304 of the Code and the constructive ownership rules of section 318 of the Code are complex and you should consult your own tax advisor as to their applicability to your particular circumstances.

If you satisfy the section 302 requirements with respect to your shares of CB Richard Ellis Services common stock acquired by CBRE Holding, any gain or loss that you recognize on those shares should be capital gain or loss if you hold your CB Richard Ellis Services shares as a capital asset and should be long-term capital gain or loss if you have held those shares for more than one year at the effective date of the merger.

Shares Acquired in Connection with the Performance of Services

This discussion applies only to shares of our Class A common stock that you acquire directly, and not to any shares of Class A common stock that will underlie stock fund units in the CB Richard Ellis Services deferred compensation plan or that will be acquired by the CB Richard Ellis Services 401(k) plan.

Acquisition of Vested Shares in the Offering

Designated managers and non-management employees who acquire fully vested shares of our Class A common stock in the offerings will be treated as having acquired those shares in connection with the performance of services. Under section 83 of the Code, you would have taxable ordinary income equal to the excess, if any, of the fair market value on the date of acquisition of the shares you acquire over the amount of cash you paid, or the fair market value of CB Richard Ellis Services common stock you exchanged, for the shares. Although the value of a share is speculative, we believe that the consideration

paid for the shares will be equal to their fair market value. In this case, the acquisition of shares of our Class A common stock would not result in any taxable income. However, the IRS might assert that the shares of Class A common stock have a higher value with the result that you would have taxable income with respect to their acquisition equal to the excess of that higher value over the consideration paid for the shares.

Acquisition of Shares Subject to Repurchase in the Offering

Shares of our Class A common stock that are subject to our right of repurchase described in "The Offerings--Right of Repurchase for Designated Manager Shares" will be 100% unvested upon issuance and will vest 20% on each anniversary of the closing of the offering. Pursuant to the designated manager subscription agreement, a designated manager will be required to make a section 83(b) election with respect to his or her shares subject to our repurchase right. As a result, you will have taxable ordinary income equal to the excess, if any, of the fair market value of those shares on the date of their acquisition over the amount paid for the shares. As discussed above, we believe that the price paid for the shares will be equal to their fair market value and, accordingly, that the election would result in no taxable income with respect to the acquisition of shares. However, the IRS might assert that the shares of Class A common stock have a higher value with the result that you would have taxable ordinary income with respect to their acquisition equal to the excess of that higher value over the consideration paid for the shares. In this case, section 83(b) would prevent you from deducting a loss in that amount if you forfeit any shares upon termination of employment.

If notwithstanding the designated manager subscription agreement you do not make a section 83(b) election for shares of our Class A common that are subject to our right of repurchase, you would be required to include as taxable ordinary income an amount equal to the excess of the fair market value of the shares subject to our right of repurchase at the time our right of repurchase expires with respect to each block of shares over the amount paid for those shares.

A section 83(b) election must be made within 30 days after the shares are acquired. Each designated manager is responsible for the timely filing of a section 83(b) election. The form must be filed with the IRS at the address where a designated manager files his or her income tax return. The election may not be revoked without the consent of the IRS. Designated managers should discuss the filing of a section 83(b) election with their own tax advisors.

Offering of Shares to 401(k) Plan

The disposition of shares of CB Richard Ellis Services common stock in the merger held by the CB Richard Ellis Services 401(k) Plan and the subsequent reinvestment of the cash proceeds in other investment options, including purchase of our Class A common stock, permitted under the amended 401(k) Plan will not result in any U.S. federal income tax consequences to you.

Offering of Shares Underlying Stock Fund Units in Deferred Compensation Plan

The substitution of shares of CB Richard Ellis Services common stock underlying stock fund units in the deferred compensation plan with our Class A common stock will not result in taxable income to a participant in that plan until the participant has received, actually or constructively, the underlying stock.

General U.S. Federal Income Tax Considerations of Holding Shares of Our Class A Common Stock

The following discussion assumes that either the shares of our Class A common stock that you acquire are vested or, if the shares are subject to our repurchase right, you will make a section 83(b) election with respect to those shares as required by the designated manager subscription agreement and described above in "--Shares Acquired in Connection with the Performance of Services--Acquisition of Shares Subject to Repurchase in the Offering."

Distributions on the shares will generally constitute dividends for federal income tax purposes to the extent paid from our current or accumulated earnings and profits as determined under federal income tax principles. This income will be includible in your gross income as ordinary income on the day received by you. To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits, the distribution will first be treated for federal income tax purposes as a tax-free return of capital, causing a reduction in the adjusted basis of the shares, thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by you on a subsequent disposition of the shares, and the balance in excess of adjusted basis will be taxed as capital gain recognized on a sale or exchange.

For U.S. federal income tax purposes, you will recognize taxable gain or loss on any sale or exchange of a share in an amount equal to the difference between the amount realized for the share and your adjusted basis in the share. This gain or loss will be capital gain or loss. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

U.S. FEDERAL TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following summary describes the material U.S. federal income and estate tax consequences of the ownership of shares of our Class A common stock by a Non-U.S. Holder, as defined below, who does not and will not perform services within the U.S. This discussion does not address all aspects of U.S. federal income and estate taxes and does not deal with foreign, state and local consequences that may be relevant to these Non-U.S. Holders in light of their personal circumstances. The discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions thereunder as of the date hereof, and these authorities may be repealed, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. Persons considering participating in the offerings should consult their own tax advisors concerning the U.S. federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

As used herein, a "Non-U.S. Holder" is an individual who is not a citizen or resident of the U.S.

The Merger

If cash consideration received in the merger is treated as a dividend to you it would be subject to U.S. federal income tax at a 30% rate or a lower rate as may be specified by an applicable income tax treaty. To determine whether any cash consideration would be treated as a dividend, please see "U.S. Federal Tax Consequences--The Merger--Cash Consideration Treated as Received from CB Richard Ellis Services" and "U.S. Federal Tax Consequences--The Merger--Cash Consideration Treated as Received from CBRE Holding." Because the rules for determining dividend treatment are complex, you should consult your own tax advisor as to their applicability to your particular circumstances.

Holding Shares of Our Class A Common Stock

Dividends

Dividends paid to a Non-U.S. Holder of Class A common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate, or a lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by a Non-U.S. Holder within the U.S. and, where a tax treaty applies, are attributable to a U.S. permanent establishment of a Non-U.S. Holder, are not subject to the withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates. Certification and disclosure requirements must be complied with in order for effectively connected income to be exempt from withholding.

A Non-U.S. Holder of Class A common stock who wishes to claim the benefit of an applicable treaty rate, and avoid back-up withholding as discussed below, for dividends paid will be required to satisfy applicable certification and other requirements.

A Non-U.S. Holder of Class A common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain recognized on a sale or other disposition of shares of our Class A common stock unless (i) the gain is effectively connected with a trade or business of the Non-U.S. Holder in the U.S., and, where a tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Holder, (ii) in the case of a Non-U.S. Holder who is an individual and holds the Class A common stock as a capital asset, is present in the U.S. for 183 or more days in the taxable year of the sale or other disposition and select other conditions are met or (iii) we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes.

An individual Non-U.S. Holder described in clause (i) above will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. An individual Non-U.S. Holder described in clause

(ii) above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the U.S.

We believe that we are not and do not anticipate becoming a "U.S. real property holding corporation" for U.S. federal income tax purposes.

Federal Estate Tax

Class A common stock held by an individual Non-U.S. Holder at the time of death will be included in the holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to the holder and the tax withheld with respect to their dividends, regardless of whether withholding was required. Copies of the information returns reporting the dividends and withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under the provisions of an applicable income tax treaty.

A Non-U.S. Holder will be subject to back-up withholding unless applicable certification requirements are met.

Payment of the proceeds of a sale of our Class A common stock within the U.S. or conducted through U.S. related financial intermediaries is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a Non-U.S. Holder, and the payor does not have actual knowledge that the beneficial owner is a U.S. person, or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

PLAN OF DISTRIBUTION

We are offering an aggregate of 3,236,639 shares of our Class A common stock to the designated managers and non-management employees of CB Richard Ellis Services and one or more of its subsidiaries in the offerings, which includes shares for direct ownership, shares to be held in the CB Richard Ellis Services 401(k) plan and shares underlying stock fund units in the CB Richard Ellis Services deferred compensation plan. We will also grant to our designated managers up to an aggregate of 1,820,397 options to acquire shares of our Class A common stock.

Immediately prior to the merger and the consummation of the offerings, the BLUM Funds have agreed to purchase for cash a minimum of 2,553,879 shares of our Class B common stock at $16.00 per share. In addition, the BLUM Funds have agreed to purchase for $16.00 per share in cash an additional number of shares of our Class B common stock equal to (1) 3,236,639 shares minus (2) the number of shares of our Class A common stock and stock fund units subscribed for in the offerings made by this prospectus plus (3) the aggregate amount of full-recourse notes delivered by designated managers in the offerings divided by $16.00. The number of shares purchased by the BLUM Funds will be reduced by 241,885 shares, which is the sum of the 10 shares of CBRE Holding common stock initially owned by RCBA Strategic and the 241,875 shares of CBRE Holding common stock purchased by RCBA Strategic for $16.00 per share in connection with the closing of the sale of 11 1/4% senior subordinated notes by BLUM CB Corp. After the offerings are completed depending on the amount to which the offerings are subscribed, the shares of our Class B common stock owned by the buying group will be equal to between approximately 80% and 96% of our outstanding Class A and Class B common stock, taken together. Only the members of the buying group will have an opportunity to acquire shares of our Class B common stock.

We are offering an aggregate of 1,187,982 shares of our Class A common stock to the designated managers and non-management employees for direct ownership. In addition, under the circumstances described below, the designated managers will be eligible to receive an aggregate of up to 1,820,397 options to acquire our Class A common stock. Unless our board of directors determines otherwise, a designated manager will receive a grant of a portion of these options only if he or she subscribes for a minimum number of shares in the offering of Class A common stock for direct ownership. The minimum number of shares that a designated manager must subscribe for in order to receive an option grant is a percentage of 625,000 shares that will be allocated to that designated manager by our board of directors. The minimum number of shares that a designated manager must subscribe for in order to receive a grant of options will be reduced by the number of deferred compensation plan stock fund units acquired by the designated manager at the closing of the offerings by the transfer of account balances currently allocated to the deferred compensation plan insurance fund. If a designated manager subscribes for at least his or her

minimum number of shares, then we will grant to the designated manager a percentage of the 1,820,397 total options equal to the percentage of the 625,000 shares allocated to that designated manager. Subject to our right to allocate the shares to be purchased if the offering is over-subscribed, a designated manager may subscribe for more than the minimum number of shares required to receive a grant of options. However, as long as the minimum number of shares required to receive an option grant are subscribed for, the number of options granted to the designated manager will be the same regardless of the actual number of shares subscribed for.

In the event that the offering of shares for direct ownership is over-subscribed, meaning we receive offers to purchase more than the 1,187,982 shares which we have set aside for this offering, we first will allocate a sufficient number of shares to the designated managers to allow them to subscribe for the minimum number of shares necessary to obtain grants of options, as described below, and all remaining shares then will be allocated proportionately among all participants in the offering of shares for direct ownership based upon the total number of those shares for which we receive subscriptions.

We are offering to all of our U.S. employees who are currently participants in the CB Richard Ellis Services 401(k) plan up to 889,819 shares of our Class A common stock to be held in the 401(k) plan, which will be amended to add this new investment alternative. To participate in this offering, an employee must either instruct the trustee of the 401(k) plan to sell existing investments held by the employee in the 401(k) plan and

use those proceeds to purchase shares in this offering for his or her 401(k) account or use the proceeds received in the merger for shares of CB Richard Ellis Services common stock held by the employee in the 401(k) plan, if any, to purchase shares in this offering for his or her 401(k) plan account. No employee may have more than 50% of his or her entire 401(k) plan account balance invested in shares of our Class A common stock as of June 1, 2001. If this offering is over-subscribed, the number of shares that each participating employee is able to purchase will be reduced proportionately based upon the total number of 401(k) plan shares for which we receive subscriptions.

The CB Richard Ellis Services deferred compensation plan has been amended to provide that, after the merger, each stock fund unit will entitle its holder to receive one share of our Class A common stock on a future distribution date under the plan, rather than a share of CB Richard Ellis Services common stock. Each of our current U.S. employees and our current independent contractors in the states of California, New York, Illinois and Washington at the time of the merger who holds stock fund units in the CB Richard Ellis Services deferred compensation plan that have vested prior to the merger will be entitled to convert the value of the stock fund unit into other investment alternatives under the plan or continue to hold the stock fund units in the deferred compensation plan. We are offering up to 996,338 shares of our Class A common stock that are issuable upon a distribution under the deferred compensation plan to those holders of stock fund units who elect to continue to hold the stock fund units after the merger. In addition, our designated managers will also have the right to transfer into stock fund units an aggregate of up to $2.6 million of deferred compensation plan account balances that are currently allocated to the insurance fund under the deferred compensation plan. As a result, we are offering up to 162,500 shares of our Class A common stock that are issuable to those holders of stock fund units upon future distribution under the deferred compensation plan.

These securities are being sold directly by us, with no underwriters, dealers or agents involved. Upon the effectiveness of the registration statement relating to this offering, we will solicit subscriptions from our employees by the distribution of this prospectus, as well as the offering documents required for participation in each of the offerings. For more information, see "Description of the Offering Documents."

Pursuant to the terms of the subscription agreements, each designated manager or non-management employee purchasing shares of our Class A common stock for direct ownership must accept and agree to be bound by significant restrictions on transfer. Accordingly, we will place a legend on the stock certificate stating that the transfer or other disposition of the shares evidenced by the certificate is restricted pursuant to the subscription agreements. The transfer restrictions terminate upon the earlier of ten years after the closing of this offering and 180 days after the effectiveness of an underwritten initial public offering pursuant to which our Class A common stock is listed on a national securities exchange or the Nasdaq National Market.

The offering price of $16.00 per share for our Class A common stock is the same price that is being paid to the CB Richard Ellis Services stockholders for each of their shares of CB Richard Ellis Services common stock in the merger and is the same cash price that is being paid by the BLUM Funds for the shares of our Class B common stock that they will purchase under the contribution and voting agreement. For more information see "The Merger Transactions--Contribution and Voting Agreement."

There will be no trading market for our Class A common stock upon completion of this offering. Our Class A common stock will not be listed on a national securities exchange or authorized for quotation on the Nasdaq National Market upon completion of the offerings. Accordingly, we cannot assure you that a liquid trading market will develop for our Class A common stock in the future.

We estimate that the total expenses of the offerings will be approximately $2.1 million. We will bear all costs, expenses and fees in connection with the registration of our Class A common stock and options to acquire our Class A common stock.

LEGAL MATTERS

The validity of the shares of Class A common stock being offered will be passed upon for us by Simpson Thacher & Bartlett, Palo Alto, California. The compliance of the provisions of the CB Richard Ellis 401(k) Plan with the requirements of the Internal Revenue Code of 1986, as amended, will be passed upon for us by O'Melveny & Meyers LLP, Los Angeles, California.

EXPERTS

The audited consolidated balance sheet of CBRE Holding, Inc. and the audited consolidated financial statements and schedule of CB Richard Ellis Services, Inc. included in this prospectus and elsewhere in the registration statement to the extent and for the periods indicated in their reports have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

WHERE YOU CAN FIND ADDITIONAL INFORMATION ABOUT US

We filed with the Securities and Exchange Commission a Registration Statement on Form S-1 under the Securities Act with respect to the shares of the Class A common stock and options to acquire Class A common stock being offered by this prospectus included in the registration statement. This prospectus does not contain all of the information described in the registration statement and the related exhibits and schedules. For further information with respect to CBRE Holding and the Class A common stock and options to acquire Class A common stock being offered, reference is made to the registration statement and the related exhibits and schedule. Statements contained in this prospectus regarding the contents of any contract or any other document to which reference is made are not necessarily complete and, in each instance, reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each statement being qualified in all respects by the reference. In addition, CB Richard Ellis Services, which we will acquire in connection with the merger and whose business immediately prior to the merger will be substantially the same as our business immediately after the merger, files periodic and other reports with the Commission under the Exchange Act of 1934.

Copies of each of the registration statement and the related exhibits and schedule that we have filed and the reports that CB Richard Ellis Services has filed may be inspected without charge at the public reference facilities maintained by the Commission in Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048 and copies of all or any part of the registration statement may be obtained from these offices upon the payment of the fees prescribed by the Commission. Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. The Commission maintains a World Wide Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of the site is http://www.sec.gov.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

<TABLE>
<CAPTION>

</TABLE>

All other schedules are omitted because either they are not applicable, not required or the information required is included in the consolidated financial statements, including the notes thereto.

CBRE HOLDING, INC.

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31, 2001	February 20, 2001
	(Unaudited)	
<S>	<C>	<C>
ASSETS		
Cash	$160.00	$160.00
Total assets	$160.00	$160.00
LIABILITIES AND STOCKHOLDERS' EQUITY		
Total liabilities	$ --	$ --
Stockholders' equity		
Common stock, $0.01 par value; 2,000 shares authorized, 10 shares issued and outstanding	0.10	0.10
Additional paid-in capital	159.90	159.90
Total stockholders' equity	$160.00	$160.00
Total liabilities and stockholders' equity	$160.00	$160.00
</TABLE>

</TABLE>

The accompanying notes are an integral part of these consolidated balance sheets.

CBRE HOLDING, INC.

NOTES TO CONSOLIDATED BALANCE SHEET

1. Summary of Significant Accounting Policies

a. Organization and Description of Partnership

CBRE Holding, Inc., a Delaware corporation, was established on February 20, 2001, as BLUM CB Holding Corp. On March 26, 2001, BLUM CB Holding Corp. changed its name to CBRE Holding, Inc. (the Company). The purpose of the Company is to act as the acquiror in a transaction (the Merger) to acquire all of the outstanding shares of CB Richard Ellis Services, Inc. (CBRE), an international real estate services firm, for $16.00 per share in cash. The Company intends to offer shares in the Company to certain managers and employees of CBRE. The Company is a wholly-owned subsidiary of RCBA Strategic Partners, L.P. (RCBA Strategic). RCBA Strategic is expected to control the Company after the Merger.

The accompanying consolidated balance sheet includes the accounts of the Company and its wholly-owned subsidiary, BLUM CB Corporation (BLUM CB), established October 27, 2000, formerly known as CB Radio Corp. All significant intercompany accounts and transactions have been eliminated in consolidation.

b. Proposed Acquisition of CBRE

On February 23, 2001, a contribution and voting agreement (the "Contribution Agreement") was signed by the following persons and entities, who are referred to together as the "buying group": RCBA Strategic Partners, L.P., FS Equity Partners III, L.P. and FS Equity Partners International, L.P., Raymond Wirta, Brett White, The Koll Holding Company and Frederic Malek. The Contribution Agreement was amended on April 24, 2001 and further amended on May 31, 2001.

Each member of the buying group is either a current shareholder, senior executive or director of CB Richard Ellis Services, Inc. or an affiliate of one of the same. Pursuant to the contribution and voting agreement, immediately prior to the Merger, each of the members of the buying group will contribute all of the shares of CBRE common stock that it holds directly to the Company. Each of these shares contributed to the Company will be cancelled, as a result of the merger, and the Company will not receive any consideration for those shares of CBRE common stock. The Company will issue one share of Class B common stock in exchange for each share of CBRE common stock contributed by the buying group. RCBA has also committed to provide up to $109.9 million in cash equity to fund part of a portion of the CBRE Acquisition. This includes the purchase of approximately 1.1 million shares of CBRE currently owned by entities related to the general partner of RCBA for approximately $17.3 million which will be subsequently contributed to the Company in exchange for the issuance of Class B common stock of the Company, and the purchase of up to 5.8 million shares of Class B common stock of the Company at $16.00 per share in cash to raise $92.6 million. Blum Strategic Partners II, L.P., a newly formed entity that is related to the general partner of RCBA may satisfy a portion of this commitment. Neither RCBA Strategic nor its general partner controls Blum Strategic Partners II L.P.

On February 24, 2001, the Company announced that it had entered into a merger agreement (the "Merger Agreement") providing for the acquisition of CBRE by its wholly-owned subsidiary, Blum CB for $16.00 per share in cash. The Merger Agreement was amended on April 24, 2001 and further amended on May 31, 2001. Upon completion of the Merger, CBRE will become a wholly owned subsidiary of the Company.

The agreement provides that CBRE employees will have the option to roll over their existing shares in CBRE's deferred compensation plan and a portion of CBRE shares held in their 401(k) accounts. Employees will also be provided the opportunity to make a direct equity investment in the Company.

The merger, which is expected to close early in the third quarter of calendar 2001, remains subject to certain conditions, including the receipt of the Company's debt financing and the approval of the merger by the holders of two-thirds of the outstanding shares of CBRE not currently owned by the buying group. CBRE will

CBRE HOLDING, INC.

pay a termination fee of $7.5 million and reimburse up to $3.0 million of the Company's expenses if CBRE wishes to accept a superior acquisition proposal.

c. Commitments & Contingencies

In connection with the announcement of the Merger, BLUM CB and CBRE have been subject to putative class action lawsuits. Between November 12 and December 6, 2000, five putative class actions were filed in the Court of Chancery of the State of Delaware in and for New Castle County by various stockholders against CBRE, its directors and the buying group and their affiliates. A similar action was also filed on November 17, 2000, in the Superior Court of the State of California in and for the County of Los Angeles. These actions all alleged that The Company's offering price was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages.

The five Delaware actions were subsequently consolidated and a lead counsel appointed. As of February 23, 2001, the parties to the Delaware litigation entered into a memorandum of understanding in which they agreed in principle to a settlement. The memorandum provides, among other things that:

1. The defendants admit no liability or wrongdoing whatsoever;

2. The buying group acknowledges that the pendency and prosecution of the Delaware litigation were positive contributing factors to its decision to increase the merger consideration;

3. For the lead counsel for the plaintiff to have an opportunity to review the CBRE proxy statement before mailing;

4. For the certification of a settlement class and the entry of a final judgment granting a full release of the defendants; and

5. For attorneys' fees in an amount not to exceed $380,000.

Conditions to the settlement proposed by the memorandum include:

1. Negotiation and execution of a mutually acceptable stipulation of settlement;

2. Closing of the merger;

3. Dismissal of the Delaware and California litigation with prejudice; and

4. Completion by the plaintiffs of such reasonable additional discovery as lead counsel reasonably believes is appropriate.

The parties may not be able to complete a mutually acceptable stipulation of settlement, and, if so, the litigation will continue, which could have a material adverse impact on the Company's ability to complete the Merger. In addition, no agreements have been reached with respect to any settlement of the California litigation, and if this litigation continues, it could have a material adverse impact on the Company's ability to complete the Merger.

d. Subsequent Events

On June 7, 2001, BLUM CB issued $229.0 million in aggregate principal amount of 11 1/4% senior subordinated notes due June 15, 2011 (the "Notes") for $225.6 million in the aggregate. The proceeds from the offering were deposited in an escrow account and will be released to CBRE in connection with the completion of the Merger. CBRE will assume the Notes if the Merger is completed. The notes require semi-annual payments of interest with the outstanding principal balance due in June 2011.

On June 7, 2001, the Company sold and issued 241,875 shares of Class B common stock to RCBA Strategic for aggregate cash consideration of $3,870,000. The purchase of these shares by RCBA Strategic will proportionately reduce the $109.9 million in cash equity RCBA Strategic (see Note b) is committed to purchase from the Company.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholder and Board of Directors of CBRE Holding, Inc.:

We have audited the accompanying consolidated balance sheet of CBRE Holding, Inc. (a Delaware corporation) as of February 20, 2001. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally

accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of CBRE Holding, Inc. as of February 20, 2001, in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Los Angeles, California
April 23 , 2001

CBRE HOLDING, INC.

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	February 20, 2001
<S>	<C>
ASSETS	
Cash	$160.00
Total assets	$160.00
LIABILITIES AND STOCKHOLDERS' EQUITY	
Total liabilities	$ --
Stockholders' equity	
Common stock, $0.01 par value; 2,000 shares authorized, 10 shares issued and outstanding	0.10
Additional paid-in capital	159.90
Total stockholders' equity	$160.00
Total liabilities and stockholders' equity	$160.00

</TABLE>

The accompanying notes are an integral part of this consolidated balance sheet.

CBRE HOLDING, INC.

NOTES TO CONSOLIDATED BALANCE SHEET

1. Summary of Significant Accounting Policies

a. Organization and Description of Partnership

CBRE Holding, Inc., a Delaware corporation, was established on February 20, 2001, as BLUM CB Holding Corp. On March 26, 2001, BLUM CB Holding Corp. changed its name to CBRE Holding, Inc. (the Company). The purpose of the Company is to act as the acquiror in a transaction (the Merger) to acquire all of the outstanding shares of CB Richard Ellis Services, Inc. (CBRE), an international real estate services firm, for $16.00 per share in cash. The Company intends to offer shares in the Company to certain managers and employees of CBRE. The Company is a wholly-owned subsidiary of RCBA Strategic Partners, L.P. (RCBA Strategic). RCBA Strategic, is expected to control the Company after the Merger.

The accompanying consolidated balance sheet includes the accounts of the Company and its wholly-owned subsidiary, BLUM CB Corporation (BLUM CB), established October 27, 2000, formerly known as CB Radio Corp. All significant intercompany accounts and transactions have been eliminated in consolidation.

b. Commitments & Contingencies

In connection with the announcement of the Merger, BLUM CB and CBRE have been subject to putative class action lawsuits. Between November 12 and December 6, 2000, five putative class actions were filed in the Court of Chancery of the State of Delaware in and for New Castle County by various stockholders against CBRE, its directors and the buying group and their affiliates. A similar action was also filed on November 17, 2000, in the Superior Court of the State of California in and for the County of Los Angeles. These actions all alleged that The Company's offering price was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages.

The five Delaware actions were subsequently consolidated and a lead counsel appointed. As of February 23, 2001, the parties to the Delaware litigation entered into a memorandum of understanding in which they agreed in principle to a settlement. The memorandum provides, among other things that:

1. The defendants admit no liability or wrongdoing whatsoever;

2. The buying group acknowledges that the pendency and prosecution of the Delaware litigation were positive contributing factors to its decision to increase the merger consideration;

3. For the lead counsel for the plaintiff to have an opportunity to review the CBRE proxy statement before mailing;

4. For the certification of a settlement class and the entry of a final judgment granting a full release of the defendants; and

5. For attorneys' fees in an amount not to exceed $380,000.

Conditions to the settlement proposed by the memorandum include:

1. Negotiation and execution of a mutually acceptable stipulation of settlement;

2. Closing of the merger;

3. Dismissal of the Delaware and California litigation with prejudice; and

4. Completion by the plaintiffs of such reasonable additional discovery as lead counsel reasonably believes is appropriate.

The parties may not be able to complete a mutually acceptable stipulation of settlement, and, if so, the litigation will continue, which could have a material adverse impact on the Company's ability to complete the Merger.

c. Subsequent Event

On February 23, 2001, a contribution and voting agreement was signed by the following persons and entities, who are referred to together as the "buying group": RCBA Strategic Partners, L.P., FS Equity Partners III, L.P. and FS Equity Partners International, L.P., Raymond Wirta, Brett White, The Koll Holding Company and Frederic Malek.

Each member of the buying group is either a current shareholder, senior executive or director of CB Richard Ellis Services, Inc. or an affiliate of one of the same. Pursuant to the contribution and voting agreement, immediately prior to the Merger, each of the members of the buying group will contribute all of the shares of CBRE common stock that it holds directly to the Company. Each of these shares contributed to the Company will be cancelled, as a result of the merger, and the Company will not receive any consideration for those shares of CBRE common stock. The Company will issue one share of Class B common stock in exchange for each share of CBRE common stock contributed by the buying group.

On February 24, 2001, the Company announced that it had entered into a merger agreement providing for the acquisition of CBRE by its wholly-owned subsidiary, Blum CB for $16.00 per share in cash.

The agreement provides that CBRE employees will have the option to roll over their existing shares in CBRE's deferred compensation plan and a portion of CBRE shares held in their 401(k) accounts. Employees will also be provided the opportunity to make a direct equity investment in the Company.

The merger, which is expected to close early in the third quarter of

calendar 2001, remains subject to certain conditions, including the receipt of the Company's debt financing, the approval of the merger by the holders of two-thirds of the outstanding shares of CBRE not currently owned by the buying group, the expiration or termination of waiting periods under applicable antitrust laws and a successful tender offer for at least 51% of CBRE's outstanding 8 7/8% Senior Subordinated Notes. CBRE will pay a termination fee of $7.5 million and reimburse up to $3.0 million of the Company's expenses if CBRE wishes to accept a superior acquisition proposal.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	March 31, 2001	December 31, 2000
	(Unaudited)	
ASSETS		
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$ 20,339	$ 20,854
Receivables, less allowance for doubtful accounts of $11,959 and $12,631 at March 31, 2001 and December 31, 2000	141,792	176,908
Prepaid expenses	9,819	8,017
Deferred taxes, net	13,105	11,139
Other current assets	8,716	6,127
Total current assets	193,771	223,045
Property and equipment, net	75,048	75,992
Goodwill, net of accumulated amortization of $59,738 and $56,417 at March 31, 2001 and December 31, 2000	415,299	423,975
Other intangible assets, net of accumulated amortization of $290,679 and $289,038 at March 31, 2001 and December 31, 2000	44,169	46,432
Cash surrender value of insurance policies, deferred compensation plan	61,267	53,203
Investment in and advances to unconsolidated subsidiaries	38,187	41,325
Deferred taxes, net	35,316	32,327
Prepaid pension costs	24,126	25,235
Other assets	44,113	41,571
Total assets	$931,296	$963,105

<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY		
<S>	<C>	<C>
Current Liabilities:		
Accounts payable and accrued expenses	$ 77,803	$ 83,673
Compensation and employee benefits payable	63,790	79,801
Accrued bonus and profit sharing	20,807	107,878
Income taxes payable	14,696	28,260
Short-term borrowings	8,418	9,215
Current maturities of long-term debt	1,161	1,378
Total current liabilities	186,675	310,205
Long-term debt:		
Senior subordinated notes, less unamortized discount of $1,604 and $1,664 at March 31, 2001 and December 31, 2000	173,396	173,336
Revolving credit facility	218,000	110,000
Other long-term debt	18,257	20,235
Total long-term debt	409,653	303,571
Deferred compensation liability	79,980	80,503
Other liabilities	27,729	29,739
Total liabilities	704,037	724,018
Minority interest	2,967	3,748
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 8,000,000 shares authorized; no shares issued or outstanding	--	--
Common stock, $0.01 par value; 100,000,000 shares authorized; 20,636,051 and 20,605,023 shares		

outstanding at March 31, 2001 and December 31, 2000	217	217
Additional paid-in capital	365,420	364,168
Notes receivable from sale of stock	(11,661)	(11,847)
Accumulated deficit	(91,943)	(89,097)
Accumulated other comprehensive loss	(21,897)	(12,258)
Treasury stock at cost, 1,072,155 shares at March 31, 2001 and December 31, 2000	(15,844)	(15,844)
Total stockholders' equity	224,292	235,339
Total liabilities and stockholders' equity	$931,296	$963,105

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Revenue:		
Leases	$ 103,166	$ 99,753
Sales	73,843	74,281
Property and facilities management fees	27,872	25,285
Consulting and referral fees	16,367	16,314
Appraisal fees	18,836	16,284
Loan origination and servicing fees	14,812	9,263
Investment management fees	8,549	7,337
Other	9,053	12,402
Total revenue	272,498	260,919
Costs and Expenses:		
Commissions, fees and other incentives	124,398	113,963
Operating, administrative and other	134,079	127,148
Depreciation and amortization	11,696	10,569
Operating income	2,325	9,239
Interest income	800	489
Interest expense	9,055	9,685
(Loss) income before (benefit) provision for income tax	(5,930)	43
(Benefit) provision for income tax	(3,084)	23
Net (loss) income	$ (2,846)	$ 20
Basic (loss) earnings per share	$ (0.13)	$ --
Weighted average shares outstanding for basic (loss) earnings per share	21,309,550	20,819,268
Diluted (loss) earnings per share	$ (0.13)	$ --
Weighted average shares outstanding for diluted (loss) earnings per share	21,309,550	20,851,184

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

<TABLE>
<CAPTION>

	Three Months Ended

	March 31,	
	2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net (loss) income	$ (2,846)	$ 20
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization excluding deferred financing costs	11,696	10,569
Gain on sale of properties, businesses and servicing rights	(6,279)	(4,735)
Deferred compensation deferrals	11,113	8,513
Equity interest in earnings of unconsolidated subsidiaries	(1,042)	(1,742)
Provision for doubtful accounts	1,173	987
Decrease in receivables	27,920	20,973
Increase in cash surrender value of insurance policies, deferred compensation plan	(8,064)	(10,751)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(100,714)	(87,165)
Decrease in accounts payable and accrued expenses	(4,505)	(6,783)
Decrease in income taxes payable	(17,632)	(5,463)
(Decrease) increase in other liabilities	(11,664)	1,777
Other	(3,419)	6,278
Net cash used in operating activities	(104,263)	(67,522)
Cash flows from investing activities:		
Purchases of property and equipment	(6,639)	(4,538)
Proceeds from sale of properties, businesses and servicing rights	6,105	11,304
Distributions from (contributions to) investments in and advances to unconsolidated subsidiaries, net	3,276	(711)
Other investing activities, net	(3,278)	259
Net cash (used in) provided by investing activities	(536)	6,314
Cash flows from financing activities:		
Proceeds from revolving credit facility	142,000	88,000
Repayment of revolving credit facility	(34,000)	(27,000)
Repayment of senior notes and other loans, net	(2,786)	(1,168)
Other financing activities, net	(274)	(1,038)
Net cash provided by financing activities	104,940	58,794
Net increase (decrease) in cash and cash equivalents	141	(2,414)
Cash and cash equivalents, at beginning of period	20,854	27,844
Effect of exchange rate changes on cash	(656)	(639)
Cash and cash equivalents, at end of period	$ 20,339	$ 24,791
Supplemental data:		
Cash paid during the period for:		
Interest (none capitalized)	$ 3,733	$ 6,074
Income taxes, net	$ 14,575	$ 5,376

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization

CB Richard Ellis Services, Inc. (the Company), was founded in 1906. It is a holding company that conducts its worldwide operations through approximately 75 direct and indirect subsidiaries. Approximately 77% of the Company's revenues are from the United States and 23% from the rest of the world. On February 24, 2001, the Company announced that it had entered into an Agreement and Plan of Merger with CBRE Holding, Inc. and Blum CB Corporation, which was amended and restated as of April 24, 2001, whereby members of senior management, Ray Wirta, CEO, and Brett White, Chairman, The Americas, together with director, Fred Malek and directors, Richard Blum, Bradford Freeman and Donald Koll and their respective affiliates will acquire all of the Company's outstanding shares which they do not own at a price of $16.00 per share. The acquisition, which is expected to close in July of 2001, remains subject to certain conditions,

including, among others, the receipt of debt financing by CBRE Holding, Inc. and the Company, the approval of the merger by the holders of two-thirds of the outstanding shares of the Company not owned by the buying group, the expiration or termination of waiting periods under applicable antitrust laws and a successful tender offer for at least 51% of the Company's outstanding 8 7/8% Senior Subordinated Notes. The Company will pay a termination fee of $7.5 million and reimburse up to $3.0 million of the buying group's expenses if it wishes to accept a superior acquisition proposal.

2. Basis of Preparation

The accompanying unaudited consolidated financial statements include all information and footnotes required for interim financial statement presentation. In the Company's opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ materially from those estimates. All significant intercompany transactions and balances have been eliminated and certain reclassifications have been made to prior periods' consolidated financial statements to conform to current period presentation. The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2001.

3. Investments in and Advances to Unconsolidated Subsidiaries

Condensed Statement of Operations (unaudited) for the unconsolidated subsidiaries accounted for using the equity method is as follows (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Revenues	$69,649	$48,496
Income from operations	12,689	13,219
Net income	7,846	8,957

</TABLE>

4. Debt

The Company has a revolving credit facility of $270.0 million, which is subject to a mandatory reduction of $70.0 million on December 31, 2001 and expires on May 20, 2003. The amount outstanding under this facility totaled $218.0 million at March 31, 2001. Interest rate alternatives include Bank of America's reference

rate plus 1.00% and LIBOR plus 2.00%. The weighted average interest rate on amounts outstanding at March 31, 2001 and December 31, 2000 was 7.69% and 8.79%, respectively.

The revolving credit facility contains numerous restrictive covenants that, among other things, limit the Company's ability to incur or repay other indebtedness, make advances or loans to subsidiaries and other entities, make capital expenditures, incur liens, enter into mergers or effect other fundamental corporate transactions, sell its assets, or declare dividends. In addition, the Company is required to meet certain ratios relating to its adjusted net worth, level of indebtedness, fixed charges and interest coverage.

The Company has outstanding 8 7/8% Senior Subordinated Notes due on June 1, 2006. The 8 7/8% Senior Subordinated Notes are redeemable in whole or in part after June 1, 2002 at 104.438% of par on that date and at declining prices thereafter. On or before June 1, 2001, up to 35.0% of the issued amount may be redeemed at 108.875% of par plus accrued interest solely with the proceeds from an equity offering. The amount included in the accompanying Consolidated Balance Sheet less unamortized discount was $173.4 million at March 31, 2001.

The Company has short-term borrowings of $8.4 million and $9.2 million with related weighted average interest rates of 7.0% and 7.3% as of March 31, 2001 and December 31, 2000, respectively.

The Company has a credit agreement with Residential Funding Corporation (RFC). The credit agreement provides for a revolving line of credit of up to $100.0 million, and bears interest at 1.00% per annum over LIBOR. The agreement expires on August 31, 2001. During the quarter, the Company had a maximum of $91.6 million revolving line of credit principal outstanding. At March 31, 2001, the Company had $0.6 million revolving line of credit principal outstanding.

5. Commitments and Contingencies

Between November 12, and December 6, 2000, five putative class actions were filed in the Court of Chancery of the State of Delaware in and for New Castle County by various of the Company's stockholders against the Company, its directors and the group which has proposed to take the Company private. A similar action was also filed on November 17, 2000 in the Superior Court of the State of California in and for the County of Los Angeles. These actions all alleged that the offering price for the going private transaction was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages.

The five Delaware actions have been consolidated. As of February 23, 2001, the parties to the Delaware litigation entered into a memorandum of understanding in which they agreed in principle to a settlement. The memorandum provides, among other things:

- that the defendants admit no liability or wrongdoing whatsoever;
- that the members of the going private group acknowledge that the pendency and prosecution of the Delaware litigation were positive contributing factors to its decision to increase the merger consideration;
- for the certification of a settlement class and the entry of a final judgment granting a full release of the defendants; and
- for attorneys' fees in an amount not to exceed $380,000.

There are numerous conditions to the settlement proposed by the memorandum including the closing of the merger.

The parties may not be able to complete a mutually acceptable stipulation of settlement, and, if so, the litigation will continue. In addition, no agreements have been reached with respect to any settlement of the California action.

In December 1996, GMH Associates, Inc. (GMH) filed a lawsuit against Prudential Realty Group (Prudential) and the Company in Superior Court of Pennsylvania, Franklin County, alleging various contractual and tort claims against Prudential, the seller of a large office complex, and the Company, its agent in the sale, contending that Prudential breached its agreement to sell the property to GMH, breached its duty to negotiate in good faith, conspired with the Company to conceal from GMH that Prudential was negotiating to sell the property to another purchaser and that Prudential and the Company misrepresented that there were no other negotiations for the sale of the property. Following a non-jury trial, the court rendered a decision in favor of GMH and against Prudential and the Company, awarding GMH $20.3 million in compensatory damages, against Prudential and the Company jointly and severally, and $10.0 million in punitive damages, allocating the punitive damage award $7.0 million as against Prudential and $3.0 million as against the Company. Following the denial of motions by Prudential and the Company for a new trial, a judgment was entered on December 3, 1998. Prudential and the Company filed an appeal of the judgment. On March 3, 2000, the appellate court in Pennsylvania reversed all of the trial courts' decisions finding that liability was not supported on any theory claimed by GMH and directed that a judgment be entered in favor of the defendants including the Company. The plaintiff filed an appeal with the Pennsylvania Supreme Court which was denied. The plaintiff has exhausted all appeal possibilities and judgment has been entered in favor of all defendants.

In August 1993, a former commissioned sales person of the Company filed a lawsuit against the Company in the Superior Court of New Jersey, Bergen County, alleging gender discrimination and wrongful termination by the Company. On November 20, 1996, a jury returned a verdict against the Company, awarding $1.5 million in general damages and $5.0 million in punitive damages to the plaintiff. Subsequently, the trial court awarded the plaintiff $0.6 million in attorneys' fees and costs. Following denial by the trial court of the Company's motions for a new trial, reversal of the verdict and reduction of damages, the

Company filed an appeal of the verdict and requested a reduction of damages. On March 9, 1999 the appellate court ruled in the Company's favor, reversed the trial court's decision and ordered a new trial. On February 16, 2000, the Supreme Court of New Jersey reversed the decision of the appellate court, concluded that the general damage award in the trial court should be sustained and returned the case to the appellate court for a determination as to whether a new trial should be ordered on the issue of punitive damages. In April 2000, the Company settled the compensatory damages claim, including interest, and all claims to date with respect to attorneys fees by paying to the plaintiff the sum of $2.75 million leaving only the punitive damage claim for resolution. The plaintiff also agreed, with very limited exceptions, that no matter what the outcome of the punitive damage claim the Company would not be responsible for more than 50% of the plaintiff's future attorney fees. In February 2001, the Company settled all remaining claims for the sum of $2.0 million and received a comprehensive release.

The Company is a party to a number of pending or threatened lawsuits arising out of, or incident to, its ordinary course of business. Based on available cash and anticipated cash flows, the Company believes that the ultimate outcome will not have an impact on the Company's ability to carry on its operations. Management believes that any liability that may result from disposition of these lawsuits will not have a material effect on the Company's consolidated financial position or results of operations.

An important part of the strategy for the Company's investment management business involves investing its own capital in certain real estate investments with its clients. As of March 31, 2001, the Company had committed $40.6 million to fund future co-investments.

6. Comprehensive Loss

Comprehensive loss consists of net income (loss) and other comprehensive loss. Accumulated other comprehensive loss consists of foreign currency translation adjustments. For the three months ended March 31, 2001, total comprehensive loss was $12.5 million, which consists of foreign currency translation loss of $9.6 million. For the three months ended March 31, 2000, total comprehensive loss was $3.2 million, which consists of foreign currency translation loss.

7. Per Share Information

Basic (loss) earnings per share was computed by dividing net (loss) income by the weighted average number of common shares outstanding of 21,309,550 and 20,819,268 for the three months ended March 31, 2001 and 2000, respectively. As a result of operating losses incurred for the three months ended March 31, 2001, diluted weighted average shares outstanding do not give effect to common stock equivalents, as to do so would be anti-dilutive. At March 31, 2000, the computation of diluted earnings per share further assumes the dilutive effect of 31,916 common stock equivalents, which consisted principally of stock options.

8. Industry Segments

The Company reports its operations through three business segments: Transaction Management, Financial Services and Management Services. The Company has a number of lines of business which are aggregated, reported and managed through these three segments. The Transaction Management segment is the Company's largest generator of revenue and includes Brokerage Services, Corporate Services and Investment Property activities. Brokerage Services includes activities that provide sales, leasing and consulting services in connection with commercial real estate and is the Company's primary revenue source. Corporate Services focuses on building relationships with large corporate clients which generate recurring revenue. Investment Property activities provide brokerage services for commercial real property marketed for sale to institutional and private investors. The Financial Services segment provides commercial mortgage, valuation, investment management and consulting and research services. The current year results of Financial Services include a nonrecurring pre-tax gain of $5.6 million from the sale of mortgage fund management contracts. The Management Services segment provides facility management services to corporate real estate users and property management and related services to owners. Prior year quarter includes a $4.7 million nonrecurring pre-tax gain on the sale of certain non-strategic assets.

The following unaudited table summarizes the revenue, cost and expenses, and operating (loss) income by operating segment for the three months ended March 31, 2001 and 2000:

<TABLE>
<CAPTION>

	Three Months Ended March 31	
	2001	2000
	(Dollars in thousands)	
<S>	<C>	<C>
Revenue		
Transaction Management	$179,981	$178,459
Financial Services	55,919	41,397
Management Services	36,598	41,063
	$272,498	$260,919
Operating (loss) income		
Transaction Management	$ (4,130)	$ 4,631
Financial Services	6,849	805
Management Services	(394)	3,803
	2,325	9,239
Interest income	800	489
Interest expense	9,055	9,685
(Loss) income before (benefit) provision for income tax	$ (5,930)	$ 43
Geographic Information		
Revenue		
Americas		
United States	$211,009	$198,500
Canada, South and Central America	11,504	9,199
	222,513	207,699
Pacific	7,690	8,014
Asia	9,015	9,733
Europe, Middle East and Africa	33,280	35,473
	$272,498	$260,919

</TABLE>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of CB Richard Ellis Services, Inc.:

We have audited the accompanying consolidated balance sheets of CB Richard Ellis Services, Inc. (a Delaware corporation) as of December 31, 2000, and 1999, and the related consolidated statements of operations, stockholders' equity, comprehensive income and cash flows for each of the three years in the period ended December 31, 2000. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CB Richard Ellis Services, Inc. as of December 31, 2000, and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic

financial statements taken as a whole. The schedule listed in the index to consolidated financial statements is presented for purposes of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Los Angeles, California
February 24, 2001

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 20,854	$ 27,844
Receivables, less allowance for doubtful accounts of $12,631 and $15,560 at December 31, 2000 and 1999	176,908	168,276
Prepaid expenses	8,017	8,370
Deferred taxes, net	11,139	11,758
Other current assets	6,127	10,596
Total current assets	223,045	226,844
Property and equipment, net	75,992	70,149
Goodwill, net of accumulated amortization of $56,417 and $41,008 at December 31, 2000 and 1999	423,975	445,010
Other intangible assets, net of accumulated amortization of $289,038 and $279,156 at December 31, 2000 and 1999	46,432	57,524
Cash surrender value of insurance policies, deferred compensation plan	53,203	20,442
Investment in and advances to unconsolidated subsidiaries	41,325	38,514
Deferred taxes, net	32,327	28,190
Prepaid pension costs	25,235	26,323
Other assets	41,571	16,487
Total assets	$963,105	$ 929,483
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 83,673	$ 81,068
Compensation and employee benefits	79,801	84,357
Accrued bonus and profit sharing	107,878	81,394
Income taxes payable	28,260	18,429
Current maturities of long-term debt	10,593	6,765
Total current liabilities	310,205	272,013
Long-term debt:		
Senior subordinated notes, less unamortized discount of $1,664 and $1,892 at December 31, 2000 and 1999	173,336	173,108
Revolving credit facility	110,000	160,000
Other long-term debt	20,235	24,764
Total long-term debt	303,571	357,872
Deferred compensation liability	80,503	47,202
Other liabilities	29,739	38,787
Total liabilities	724,018	715,874
Minority interest	3,748	3,872
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 8,000,000 shares authorized; no shares issued or outstanding	--	--
Common stock, $0.01 par value; 100,000,000 shares authorized; 20,605,023 and 20,435,692 shares issued and outstanding at December 31, 2000 and 1999	217	213
Additional paid-in capital	364,168	355,893

Notes receivable from sale of stock	(11,847)	(8,087)
Accumulated deficit	(89,097)	(122,485)
Accumulated other comprehensive loss	(12,258)	(1,928)
Treasury stock at cost, 1,072,155 and 885,100 shares at December 31, 2000 and 1999	(15,844)	(13,869)
Total stockholders' equity	235,339	209,737
Total liabilities and stockholders' equity	$963,105	$ 929,483

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Revenue:			
Leases	$ 539,419	$ 448,091	$ 371,300
Sales	389,745	394,718	357,718
Property and facilities management fees	110,654	110,111	86,379
Consulting and referral fees	78,714	73,569	72,586
Appraisal fees	75,055	71,050	48,082
Loan origination and servicing fees	58,190	45,940	39,402
Investment management fees	42,475	28,929	33,145
Other	29,352	40,631	25,891
Total revenue	1,323,604	1,213,039	1,034,503
Costs and Expenses:			
Commissions, fees and other incentives	634,639	559,289	458,463
Operating, administrative and other	538,481	536,381	448,794
Merger-related and other nonrecurring charges	--	--	16,585
Depreciation and amortization	43,199	40,470	32,185
Operating income	107,285	76,899	78,476
Interest income	2,554	1,930	3,054
Interest expense	41,700	39,368	31,047
Income before provision for income tax	68,139	39,461	50,483
Provision for income tax	34,751	16,179	25,926
Net income	$ 33,388	$ 23,282	$ 24,557
Deemed dividend on preferred stock	$ --	$ --	$ 32,273
Net income (loss) applicable to common stockholders	$ 33,388	$ 23,282	$ (7,716)
Basic earnings (loss) per share	$ 1.60	$ 1.11	$ (0.38)
Weighted average shares outstanding for basic earnings (loss) per share	20,931,111	20,998,097	20,136,117
Diluted earnings (loss) per share	$ 1.58	$ 1.10	$ (0.38)
Weighted average shares outstanding for diluted earnings (loss) per share	21,097,240	21,072,436	20,136,117

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>

<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	$ 33,388	$ 23,282	$ 24,557
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization excluding deferred financing costs	43,199	40,470	32,185
Amortization of deferred financing costs	2,069	1,696	1,184
Deferred compensation deferrals	43,557	25,932	14,738
(Gain) loss on sale of properties, businesses and servicing rights	(10,184)	(9,865)	2,058
Equity interest in earnings of unconsolidated subsidiaries	(7,112)	(7,528)	(3,443)
Minority interest	607	2,016	730
Provision for litigation, doubtful accounts and other	5,125	4,724	5,185
Deferred income tax (benefit) provision	(4,083)	(12,688)	14,394
Increase in receivables	(12,545)	(37,640)	(24,846)
Increase in cash surrender value of insurance policies, deferred compensation plan	(32,761)	(20,442)	--
Increase in compensation and employee benefits payable and accrued bonus and profit share	24,418	37,339	7,782
(Decrease) increase in accounts payable and accrued expenses	(3,201)	1,346	2,615
Increase in income taxes payable	11,074	16,696	8,913
(Decrease) increase in other liabilities	(9,553)	7,583	(9,536)
Net change in other operating assets and liabilities	114	1,090	98
Net cash provided by operating activities	84,112	74,011	76,614
Cash flows from investing activities:			
Purchases of property and equipment	(26,921)	(35,130)	(29,715)
Proceeds from sale of inventoried property	--	7,355	--
Proceeds from sale of properties, businesses and servicing rights	17,495	12,072	--
Purchase of investments	(23,413)	(1,019)	--
Increase in intangible assets and goodwill	(3,119)	(5,331)	(14,595)
Acquisition of businesses including net assets acquire intangibles and goodwill	(3,442)	(8,931)	(189,895)
Other investing activities, net	3,678	4,217	10,685
Net cash used in investing activities	(35,722)	(26,767)	(223,520)
Cash flows from financing activities:			
Proceeds from revolving credit facility	179,000	165,000	315,000
Repayment of revolving credit facility	(229,000)	(172,000)	(268,000)
Proceeds from senior subordinated term loan	--	--	172,788
Repayment of inventoried property loan	--	(7,093)	(377)
Proceeds from (repayment of) senior notes and other loans, net	588	(12,402)	(14,324)
Payment of dividends payable	--	--	(5,000)
Repurchase of preferred stock	--	--	(72,331)
Repurchase of common stock	(2,018)	(4,986)	(8,883)
Repayment of capital leases	(1,373)	(1,340)	(1,655)
Minority interest payments	(2,180)	(3,801)	(2,902)
Other financing activities, net	1,460	(1,099)	5,122
Net cash (used in) provided by financing activities	(53,523)	(37,721)	119,438
Net (decrease) increase in cash and cash equivalents	(5,133)	9,523	(27,468)
Cash and cash equivalents, at beginning of period	27,844	19,551	47,181
Effect of exchange rate changes on cash	(1,857)	(1,230)	(162)
Cash and cash equivalents, at end of period	$ 20,854	$ 27,844	$ 19,551
Supplemental data:			
Cash paid during the period for:			
Interest (none capitalized)	$ 38,352	$ 36,997	$ 27,528
Income taxes, net	$ 27,607	$ 12,689	$ 3,395

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)

<TABLE>
<CAPTION>

	Preferred Stock	Common Stock	Additional Paid-in capital	Notes receivable from sale of stock	Accumulated deficit	Accumulated other comprehensive income (loss)	Treasury stock	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1997	$ 40	$188	$333,981	$ (5,956)	$(170,324)	$ (158)	$ --	$157,771
Net income	--	--	--	--	24,557	--	--	24,557
Common stock issued for incentive plans	--	1	962	(962)	--	--	--	1
Contributions, deferred compensation plan	--	--	5,361	--	--	--	--	5,361
Collection on, net of cancellation of notes receivable from employee stock incentive plan	--	--	(646)	1,264	--	--	--	618
Common stock issued for REI and HP acquisitions	--	15	58,486	--	--	--	--	58,501
Shares issued for Capital Accumulation Plan	--	--	2,889	--	--	--	--	2,889
Common stock options exercised	--	7	8,835	--	--	--	--	8,842
Amortization of cheap stock	--	--	312	--	--	--	--	312
Tax deduction from issuance of stock	--	--	11,907	--	--	--	--	11,907
Foreign currency translation gain	--	--	--	--	--	1,297	--	1,297
Purchase of preferred stock	(40)	--	(72,291)	--	--	--	--	(72,331)
Purchase of common stock	--	--	--	--	--	--	(8,883)	(8,883)
Balance, December 31, 1998	--	211	349,796	(5,654)	(145,767)	1,139	(8,883)	190,842
Net income	--	--	--	--	23,282	--	--	23,282
Common stock issued for incentive plans	--	2	2,534	(2,534)	--	--	--	2
Contributions, deferred compensation plan	--	--	2,094	--	--	--	--	2,094
Collection on, net of cancellation of notes receivable from employee stock incentive plan	--	--	--	101	--	--	--	101
Common stock options exercised	--	--	449	--	--	--	--	449
Amortization of cheap stock	--	--	312	--	--	--	--	312
Tax deduction from issuance of stock	--	--	708	--	--	--	--	708
Foreign currency translation loss	--	--	--	--	--	(3,067)	--	(3,067)
Purchase of common stock	--	--	--	--	--	--	(4,986)	(4,986)
Balance, December 31, 1999	--	213	355,893	(8,087)	(122,485)	(1,928)	(13,869)	209,737
Net income	--	--	--	--	33,388	--	--	33,388
Common stock issued for incentive plans	--	4	4,310	(4,310)	--	--	--	4
Contributions, deferred compensation plan	--	--	2,729	--	--	--	--	2,729
Deferred compensation plan co-match	--	--	907	--	--	--	--	907
Collection on, net of cancellation of notes receivable from employee stock incentive plan	--	--	(550)	550	--	--	--	--
Amortization of cheap and restricted stock	--	--	342	--	--	--	--	342
Tax deduction from issuance of stock	--	--	580	--	--	--	--	580

Foreign currency translation loss.....	--	--	--	--	--	(10,330)	--	(10,330)
Purchase of common stock.....	--	--	(43)	--	--	--	(1,975)	(2,018)
Balance, December 31, 2000.....	$ --	$217	$364,168	$(11,847)	$ (89,097)	$(12,258)	$(15,844)	$235,339

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)

	Year Ended December 31		
	2000	1999	1998
Net income.....	$ 33,388	$23,282	$24,557
Other comprehensive (loss) income net of tax.....	(10,330)	(3,067)	1,297
Comprehensive income.....	$ 23,058	$20,215	$25,854

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CB Richard Ellis Services, Inc. (the Company) and majority owned and controlled subsidiaries. The equity attributable to minority shareholders' interests in subsidiaries is shown separately in the balance sheets. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company's investments in unconsolidated subsidiaries in which it has the ability to exercise significant influence over operating and financial policies, but does not control, are accounted for by using the equity method. Accordingly, the Company's share of the earnings of these equity basis companies is included in consolidated net income. All other investments held on a long-term basis are valued at cost less any permanent impairment in value.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of less than three months. The Company controls certain cash and cash equivalents as agent for its investment and property management clients. These amounts are not included in the consolidated balance sheets.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price of an acquisition over the Company's interest in the fair value of the net identifiable assets acquired. Goodwill is carried at cost less accumulated amortization and amortized on a straight-line basis. Net goodwill at December 31, 2000 consisted of $405.7 million related to the 1995 through 2000 acquisitions which is being amortized over an estimated useful life of 30 years and $18.3 million related to the Company's original acquisition in 1989 which is being amortized over an estimated useful life of 40 years.

Net other intangible assets at December 31, 2000 included $6.0 million of deferred financing costs and $40.4 million of intangibles stemming from the 1995 through 2000 acquisitions. These are amortized on a straight-line basis over the estimated useful lives of the assets up to 12 years.

The Company periodically evaluates the recoverability of the carrying amount of goodwill and other intangible assets. In this assessment, the Company considers macro market conditions and trends in the Company's relative market position, its capital structure, lender relationships and the estimated undiscounted future cash flows associated with these assets. If any of the significant assumptions inherent in this assessment materially change due to market, economic and/or other factors, the recoverability is assessed based on the revised assumptions and resultant undiscounted cash flows. If the analysis indicates impairment, it would be recorded in the period the changes occur based on the fair value of the goodwill and other intangible assets.

Property, Plant and Equipment

The Company capitalizes expenditures that materially increase the life of the related assets and charges the cost of maintenance and repairs to expense. Upon sale or retirement, the capitalized costs and related accumulated depreciation or amortization are eliminated from the respective accounts, and the resulting gain or loss is included in operating income.

Depreciation is computed primarily using the straight line method over estimated useful lives ranging from 3 to 10 years. Leasehold improvements are amortized over the term of the respective leases, excluding options

to renew. Equipment under capital leases is depreciated over the related term of the leases. The Company periodically reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any of the significant assumptions inherent in this assesment materially change due to market, economics, and/or other factors, the recoverability is assessed based on the revised assumptions. If this analysis indicates that such assets are considered to be impaired, the impairment is recognized in the period the changes occur and is measured by the amount in which the carrying value exceeds the fair value of the asset.

Income Recognition

Real estate commissions on sales are recorded as income upon close of escrow or upon transfer of title. Real estate commissions on leases are generally recorded as income once the Company satisfies all obligations under the commission agreement, which generally occurs upon the earlier of the date of occupancy or cash receipt, if cash is received prior to occupancy. The existence of any significant future contingencies will result in the delay of recognition of income until such contingency is satisfied. If, for example, the tenant has a free rent period, lease revenue is not recorded until the first month's rent is paid. Investment management fees and management fees are recognized when earned under the provisions of the related agreements. Appraisal fees are recorded after services have been rendered. Loan origination fees are recognized at the time the loan closes and the Company has no significant remaining obligations for performance in connection with the loan transaction, while loan servicing fees are recorded as principal and interest payments are collected from mortgagors. Other commissions and fees are recorded as income at the time the related services have been performed unless significant future contingencies exist. The adoption of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," did not have a material effect on our operations or financial position.

Foreign Currencies

The financial statements of subsidiaries located outside the United States (US) are generally measured using the local currency as the functional currency. The assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date and income and expenses are translated at the average monthly rate. The currency effects of translating the financial statements of these non-US operations of the Company are included in the "Accumulated other comprehensive income (loss)" component of stockholders' equity. Gains and losses resulting from foreign currency transactions are included in the results of operations. The aggregate transaction gains and losses included in the consolidated statements of operations are a $3.1 million loss, $1.1 million gain and $0.2 million loss for 2000, 1999 and 1998, respectively.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Accumulated other comprehensive income (loss) consists of foreign currency translation adjustments.

Accounting for Transfers and Servicing

The Company follows Statement of Financial Accounting Standards (SFAS) No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments in accounting for loan sales and acquisition of servicing rights. Under SFAS No. 125, the Company is required to recognize, at fair value, financial and servicing assets it has acquired control over and related liabilities it has incurred and amortize them over the period of estimated net servicing income or loss. Write-off of the asset is required when control is surrendered. The fair value of these servicing rights resulted in a gain, which is reflected in the Consolidated Statements of Operations, with a corresponding servicing asset of approximately $0.7 million and $0.8 million, at December 31, 2000 and 1999, respectively, which is reflected in the Consolidated Balance Sheets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the US requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the reporting periods. Actual results could differ from those estimates. Management believes that these estimates provide a reasonable basis for the fair presentation of its financial condition and results of operations.

Stock Based Compensation

The Company has elected to apply the provisions of Accounting Principles Board (APB) Opinion No. 25 and provide the pro forma disclosure requirements of SFAS No. 123, Accounting for Stock Based Compensation in the footnotes to its consolidated financial statements. SFAS No. 123 requires pro forma disclosure of net income and, if presented, earnings per share, as if the fair-value based method of accounting defined in this statement had been applied. APB Opinion No. 25 and related interpretations require accounting for stock compensation awards based on their intrinsic value as of the grant date.

Income Taxes

Income taxes are accounted for under the asset and liability method in accordance with SFAS 109, Accounting for Income Taxes. Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax basis of assets and liabilities and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured by applying enacted tax rates and laws to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

New Accounting Pronouncements

In September 2000, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. SFAS 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral established by SFAS 125. In addition, this statement is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. The Company does not perform these types of transactions. This statement is effective for all transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The Company is evaluating the impact of SFAS 140 on its results of operation and financial position for these types of transactions.

In June 2000, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities--an Amendment of FASB Statement No. 133. SFAS No. 138 amends the accounting and reporting for certain derivative instruments and hedging activities and is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. SFAS 138 is not expected to have a material impact on earnings or other components of comprehensive income of the Company.

In June 1999, the FASB issued SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133, which deferred the effective date of SFAS No. 133 for one year. SFAS No. 137 is effective for all fiscal quarters of all fiscal years beginning after

June 15, 2000. SFAS No. 137 is not anticipated to have a material impact on earnings or other components of comprehensive income as the Company had no derivatives outstanding at December 31, 2000.

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is not expected to have a material impact on earnings or other components of comprehensive income as the Company had no derivatives outstanding at December 31, 2000.

Reclassifications

Some reclassifications, which do not have an effect on net income, have been made to the 1999 and 1998 financial statements to conform to the 2000 presentation.

2. Acquisitions and Dispositions

During 2000, the Company acquired five companies with an aggregate purchase price of approximately $3.4 million in cash, $0.7 million in notes, plus additional payments over the next five years based on acquisition earnout agreements. These payments will supplement the purchase price and be recorded as additional goodwill. The most significant acquisition in 2000 was the purchase of Boston Mortgage Capital Corporation (Boston Mortgage), through L.J. Melody, for approximately $2.1 million, plus supplemental payments based on an acquisition earnout agreement. Boston Mortgage provides further mortgage banking penetration into the northeast. It services approximately $1.8 billion in loans covering roughly 175 commercial properties throughout New England, New York and New Jersey.

In February 2000, the Company sold certain non-strategic assets for cash proceeds of $8.4 million, resulting in a pre-tax gain of $4.7 million.

During 1999, the Company acquired four companies with an aggregate purchase price of approximately $13.8 million. The two significant acquisitions were Eberhardt Company which was acquired in September 1999 through L.J. Melody for approximately $7.0 million and Profi Nordic which was acquired in February 1999 through CBRE Profi Acquisition Corp. (formerly Koll Tender III) for approximately $5.5 million.

During 1999, the Company sold five of its smaller non-strategic offices (Bakersfield and Fresno, California; Albuquerque, New Mexico; Reno, Nevada; and Salt Lake City, Utah) for a total of approximately $7.0 million received in cash and notes. It also sold an insurance operation which was used to help property management and other clients with complex insurance problems for $3.0 million in receivables. These sales resulted in a pre-tax gain of $8.7 million.

On October 20, 1998 the Company, through L.J. Melody, purchased Carey, Brumbaugh, Starman, Phillips, and Associates, Inc., a regional mortgage banking firm for approximately $5.6 million in cash and approximately $2.4 million in notes bearing interest at 9.0% with three annual payments which began in October 1999. Approximately $0.2 million of the $2.4 million notes was accounted for as deferred cash compensation to select key executives. The acquisition was accounted for as a purchase. The purchase price has

largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

On October 1, 1998 the Company purchased the remaining ownership interests that it did not already own in the Richard Ellis Australia and New Zealand businesses. The costs for the remaining interest was $20.0 million in cash. Virtually all of the revenue of these locations is derived from brokerage and appraisal services. The acquisition was accounted for as a purchase. The

purchase price has largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives ranging up to 30 years.

On September 22, 1998 the Company purchased the approximately 73.0% interest that it did not already own in CB Commercial Real Estate Group of Canada, Inc. The Company acquired the remaining interest for approximately $14.3 million in cash. The acquisition was accounted for as a purchase. The purchase price has been largely allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives ranging up to 30 years.

On July 7, 1998 the Company acquired the business of Hillier Parker May and Rowden, now known as CB Hillier Parker Limited (HP), a commercial property services partnership operating in the United Kingdom (UK). The acquisition was accounted for as a purchase. The purchase price for HP included approximately $63.6 million in cash and $7.1 million in shares of the Company's common stock. In addition, the Company assumed a contingent payout plan for key HP employees with a potential payout over three years of approximately $13.9 million and assumed various annuity obligations of approximately $15.0 million. The purchase price has largely been allocated to goodwill which is amortized on a straight line basis over its estimated useful life of 30 years.

On July 1, 1998 the Company increased its ownership percentage in CB Commercial/Arnheim & Neely, an existing partnership formed in September 1996, which then combined with the Galbreath Company Mid-Atlantic to form CB Richard Ellis/Pittsburgh, LP. The total purchase price of the Company's 50% interest in the combined enterprise is $5.7 million.

On May 31, 1998 the Company acquired Mathews Click and Associates, a property sales, leasing, and management firm, for approximately $10.0 million in cash and potential supplemental payments of $1.9 million which were contingent upon operating results, payable to the sellers over a period of two years. The acquisition was accounted for as a purchase. The total purchase price including potential supplemental payments was allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

Effective May 1, 1998 the Company, through L.J. Melody, acquired Shoptaw-James, Inc. (Shoptaw-James), a regional mortgage banking firm, for approximately $6.3 million in cash and approximately $2.7 million in notes bearing interest at 9.0% with three annual payments which began in May 1999. The acquisition was accounted for as a purchase. Approximately $0.3 million of the $2.7 million notes are being accounted for as compensation over the term of the notes as the payment of these notes are contingent upon select key executives' and producers' continued employment with the Company. Approximately $2.4 million of the $2.7 million is being accounted for as supplemental payments to the sellers over a period of three years. The purchase price and supplemental payments have largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

On April 17, 1998 the Company purchased all of the outstanding shares of CB Commercial Limited, formerly known as REI Limited (REI), an international commercial real estate services firm operating under the name Richard Ellis in major commercial real estate markets worldwide (excluding the UK). The acquisition

was accounted for as a purchase. The purchase price has largely been allocated to goodwill, which is amortized on a straight line basis over an estimated useful life of 30 years. The purchase price for REI was approximately $104.8 million of which approximately $53.3 million was paid in cash and notes and approximately $51.5 million was paid in shares of the Company's common stock. In addition, the Company assumed approximately $14.4 million of long-term debt and minority interest. The Company incurred a one-time charge of $3.8 million associated with the integration of REI's operations and systems into the Company's.

On February 1, 1998 the Company, through L.J. Melody, acquired all of the issued and outstanding stock of Cauble and Company of Carolina, a regional mortgage banking firm for approximately $2.2 million, including cash payments of approximately $1.8 million and a note payable of approximately $0.4 million bearing interest at 9.0% with principal payments starting in April 1998. The acquisition was accounted for as a purchase. The purchase price has been largely allocated to intangibles and goodwill, which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

On January 31, 1998 the Company, through L.J. Melody, acquired certain assets of North Coast Mortgage Company, a regional mortgage banking firm for

cash payments of approximately $3.0 million and approximately $0.9 million in notes. Approximately $0.3 million of the $0.9 million notes have been accounted for as supplemental payments to the sellers and approximately $0.6 million as deferred compensation to certain key executives and producers payable in three annual installments which began in February 1999. The acquisition was accounted for as a purchase. The purchase price and supplemental payments have largely been allocated to intangibles and goodwill, which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively. The $0.6 million of deferred cash compensation is being accounted for as compensation over the term of the agreements as the payment of the compensation is contingent upon select key executives' and producers' continued employment with the Company.

The assets and liabilities of certain acquired companies, along with the related goodwill, intangibles and indebtedness, are reflected in the accompanying consolidated financial statements at December 31, 2000. The results of operations of the acquired companies are included in the consolidated results from the dates they were acquired. The unaudited pro forma results of operations of the Company for the year ended December 31, 1998, assuming the REI acquisition had occurred on January 1, 1998, would have been as follows (amounts in thousands, except per share data):

<TABLE>
<CAPTION>

	Year Ended December 31, 1998
<S>	<C>
Revenue	$1,051,114
Net income	15,586
Net loss applicable to common stockholders	(16,687)
Loss per share	
Basic	(0.81)
Diluted	(0.81)

</TABLE>

For the year ended December 31, 1998, net loss applicable to common stockholders includes a deemed dividend of $32.3 million on the repurchase of the Company's preferred stock. The pro forma results do not necessarily represent results which would have occurred if the acquisitions had taken place on the date assumed above, nor are they indicative of the results of future combined operations. The amounts are based upon certain assumptions and estimates, and do not reflect any benefit from economies which might be achieved from combined operations. Further, REI historical results for the first three months of 1998 include certain nonrecurring adjustments.

3. Property and Equipment

Property and equipment is stated at cost and consists of the following (in thousands):

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Buildings and improvements	$ 17,354	$ 19,273
Furniture and equipment	128,678	111,840
Equipment under capital leases	28,765	29,800
	174,797	160,913
Accumulated depreciation and amortization	(98,805)	(90,764)
Property and equipment, net	$ 75,992	$ 70,149

</TABLE>

The Company sold its headquarters building in downtown Los Angeles, California, in September 1999 and a small office building in Phoenix, Arizona in October 1999, both at a minimal loss. Depreciation expense was $19.2 million, $17.1 million and $14.8 million during 2000, 1999 and 1998, respectively.

4. Investments in and Advances to Unconsolidated Subsidiaries

Investments in and advances to unconsolidated subsidiaries as of December 31, 2000 and 1999 are as follows (in thousands):

	Interest	December 31 2000	1999
<S>	<C>	<C>	<C>
CB Commercial/Whittier Partners, LP	50.0%	$10,173	$ 9,646
CBRE Pittsburgh	50.0%	6,261	5,853
Ikoma CB Richard Ellis K.K.	20.0%	3,695	2,523
Strategic Partners (CBRE Investors)	3.4%	3,659	--
Building Technology Engineers	49.9%	2,595	--
CBRE Corp Partners, LLC	9.1%	2,510	1,453
Other	*	12,432	19,039
		$41,325	$38,514

- --------
* Various interests with varying ownership rates.

Unaudited combined condensed financial information for the entities accounted for using the equity method is as follows (in thousands):

Consolidated Statement of Operations Information

	Year Ended December 31		
	2000	1999	1998
		(Unaudited)	
<S>	<C>	<C>	<C>
Net revenue	$241,902	$172,365	$72,911
Income from operations	59,936	43,088	27,921
Net income	50,183	32,795	23,678

Condensed Balance Sheet Information:

	December 31	
	2000	1999
	(Unaudited)	
<S>	<C>	<C>
Current assets	$153,942	$ 62,579
Noncurrent assets	777,718	689,286
Current liabilities	94,507	34,076
Noncurrent liabilities	302,530	249,546
Minority interest	519	1,115

5. Employee Benefit Plans

Option Plans. In conjunction with the North Coast Mortgage Company acquisition, options for 25,000 shares were granted with an exercise price representing the fair market value at date of grant of $32.50 per share. On December 15, 1998, the option holders elected to change the exercise price to $20.00 per share, which was above market value on the date of election, and simultaneously reduce the number of shares by 20%. The options vest over five years at a rate of 20% per year, expiring in February 2008. Options for 20,000 shares under the North Coast Mortgage Company acquisition were outstanding at December 31, 2000.

In conjunction with the Shoptaw-James acquisition, options for 25,000 shares were granted with an exercise price representing a fair market value of $37.32 per share on the date of grant. On December 15, 1998 the option holders elected to change the exercise price to $20.00 per share, which was above market value on the date of election, and simultaneously reduce the number of shares by 20%. The options vest over five years at a rate of 20% per year, expiring in May 2008. Options for 20,000 shares under the Shoptaw-James acquisition were

outstanding at December 31, 2000.

In October 1998, in conjunction with the Carey, Brumbaugh acquisition, options for 25,000 shares were granted with an exercise price representing a fair market of $19.44 per share on the grant date. The options vest over five years at a rate of 20% per year, expiring in September 2008. Options for 25,000 shares under the Carey, Brumbaugh acquisition were outstanding at December 31, 2000.

In April 1998, in conjunction with the REI acquisition, the Company approved the assumption of the options outstanding under the REI Limited Stock Option Plan. These options for 46,115 shares of common stock were issued and exercised immediately at $14.95 per share in exchange for existing REI options. Also in conjunction with the REI acquisition, the Company granted options for 475,677 shares at an exercise price equal to fair market value at date of grant of $33.76 per share. On December 15, 1998 select holders of stock options elected to change the exercise price of their options to $20.00 per share, which was above market value on the date of election, and simultaneously reduce the number of shares by 20%. During 2000, the Company granted options for 58,000 shares of common stock at an exercise price of $12.88 per share. All options were granted at an exercise price equal to fair market value at date of grant. The vesting periods of these options range from three to five years and they expire at various dates through August 2010. Options for 492,984 shares were outstanding under the REI Limited Stock Option Plan at December 31, 2000.

A total of 700,000 shares of common stock have been reserved for issuance under the Company's 1997 Employee Stock Option Plan. On December 15, 1998, select holders of stock options with an exercise price in excess of $20.00 per share elected to change the exercise price of their options to $20.00 per share, which was above market value on the date of election and simultaneously reduce the number of shares by 20%. During 2000, the Company granted options for 105,000 shares of common stock at exercise prices ranging from $10.38 to $12.85 per share. All options were granted at an exercise price equal to fair market value at date of grant.

The vesting periods for these options range from approximately four to five years and they expire at various dates through August 2010. Options for 692,060 shares were outstanding under the 1997 Employee Stock Option Plan at December 31, 2000.

In August 1997, in conjunction with the Koll acquisition, the Company approved the assumption of the options outstanding under the KMS Holding Company Amended 1994 Stock Option Plan (now known as the CBC Substitute Option Plan (CBCSP)) and the Koll Acquisition Stock Option Plan (KASOP). Under the CBCSP, 407,087 stock options were issued with exercise prices ranging from $12.89 to $18.04 per share in exchange for existing Koll options. These options were immediately exercisable and expire at various dates through April 2006. All options were granted at an exercise price equal to fair market value at date of grant. At December 31, 2000, 231,941 options were outstanding. Under the KASOP, options for 550,000 shares were approved for issuance to former senior executives of Koll who became employees or directors of the Company. These options have exercise prices ranging from $14.25 to $36.75 per share and vesting periods ranging from immediate to three years. During 2000, the Company granted options for 20,000 shares of common stock under the KASOP at an exercise price of $12.88 per share. These options expire at various dates through August 2010. Options for 550,000 shares were outstanding for the KASOP at December 31, 2000.

In August 1997, in conjunction with the Koll acquisition, the Company approved the issuance of warrants to purchase 599,967 shares. Of the outstanding warrants, 42,646 are attached to common stock obtainable under the CBC Substitute Option Plan and 555,741 are attached to shares of outstanding common stock. Each warrant is exercisable into one share of common stock at an exercise price of $30.00 commencing in August 2000 and expiring in August 2004. At December 31, 2000, 598,387 warrants issued were outstanding.

A total of 90,750 shares of common stock have been reserved for issuance under the L.J. Melody Acquisition Stock Option Plan, which was adopted by the Board of Directors in September 1996 as part of the July 1996 acquisition of L.J. Melody. Options for all these shares have been issued at an exercise price of $10.00 per share and vest over a period of five years at the rate of 5% per quarter and these options expire in June 2006. Options for 90,750 shares of common stock under the L.J. Melody Acquisition Stock Option Plan were outstanding at December 31, 2000.

A total of 600,000 shares of common stock have been reserved for issuance under the Company's 1991 Service Providers Stock Option Plan. In various years, options were granted below market price to select directors as partial payment for director fees. On December 15, 1998 select holders of stock options with an

exercise price in excess of $20.00 per share elected to change the exercise price of their options to $20.00 per share, which was above market value on the date of election and simultaneously reduce the number of shares by 20%. During 2000, options for 39,000 shares were granted to select directors and executive officers at an exercise price equal to fair market value at date of grant ranging from $11.81 to $12.88 per share. These options vest from a zero to a five year period and expire at various dates through August 2010. Options for 583,888 shares were outstanding under the 1991 Service Providers Stock Option Plan at December 31, 2000.

A total of 1,000,000 shares of common stock have been reserved for issuance under the Company's 1990 Stock Option Plan. All options vest over a four year period, expiring at various dates through November 2006. Options for 35,000 shares under the 1990 Stock Option Plan were outstanding at December 31, 2000.

The Company completed the 1999 stock repurchase program on January 5, 2000. A total of 397,450 shares of common stock were purchased for a total of $5.0 million. In 1998, a total of 488,900 shares of common stock were purchased for $8.8 million. The shares purchased in 1999 and 1998 will be used to minimize the dilution caused by the exercise of stock options and the grant of stock purchase rights.

A summary of the status of the Company's option plans at December 31, 2000, 1999 and 1998 and changes during the years then ended is presented in the table and narrative below:

<TABLE>
<CAPTION>

	2000		1999		1998	
Stock Options and Warrants	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding beginning of the year	3,075,356	$20.71	2,937,085	$23.18	3,284,381	$22.43
Granted	487,710	24.81	628,611	15.17	1,885,944	25.94
Exercised	--	--	(58,000)	10.00	(824,385)	10.73
Forfeited/Expired	(223,056)	19.84	(432,340)	31.64	(1,408,855)	32.42
Outstanding end of year	3,340,010	$21.25	3,075,356	20.71	2,937,085	$23.18
Exercisable at end of year	1,824,665	$23.90	770,756	$21.86	830,289	$21.94
Weighted average fair value of options granted during the year		$ 6.72		$ 8.84		$12.27

</TABLE>

Significant option and warrant groups outstanding at December 31, 2000 and related weighted average price and life information is presented below:

<TABLE>
<CAPTION>

	Outstanding Options and Warrants			Exercisable Options and Warrants	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$00.38-$10.38	167,594	5.32 yrs.	$ 7.44	143,519	$ 6.97
$11.81-$19.44	985,941	7.69 yrs.	14.48	327,141	14.48
$20.00-$23.75	1,273,754	6.84 yrs.	20.52	488,218	20.79
$30.00-$36.75	912,721	4.64 yrs.	32.11	865,787	32.02
	3,340,010		$21.25	1,824,665	$23.90

</TABLE>

Deferred Compensation Plan (the DCP). In 1994, the Company implemented the DCP. Under the DCP, a select group of management and highly compensated

employees can defer the payment of all or a portion of their compensation (including any bonus). The DCP permits participating employees to make an irrevocable election at the beginning of each year to receive amounts deferred at a future date either in cash, which is an unsecured long-term liability of the Company, or in shares of common stock of the Company which elections are recorded as additions to stockholders' equity. In May 2000, the Company began repurchasing stock from the open market in order to minimize the dilutive effect of issuing stock pursuant to the DCP. As of December 31, 2000, the Company has repurchased 185,800 shares of common stock for $2.0 million, which is reported as an increase in treasury stock. In 1999, the Company revised the DCP to add insurance products which function like mutual funds as an investment alternative and to fund the Company's obligation for deferrals invested in these insurance products. Prior to July 1, 2000, cash payments to purchase additional insurance products were made on the third business day of the month following the related DCP participant deferral. Currently, payments are made twice a month. For the year ended December 31, 2000, $43.6 million was deferred and mainly allocated to the other investment products. The accumulated non-stock liability at December 31, 2000 was $80.5 million and the assets (in the form of insurance proceeds) set aside to cover the liability was $53.2 million. The total liability of $92.0 million, including $11.5 million deferred in stock, was charged to expense in the period of deferral and classified as deferred compensation plan liability, except for

stock which is included in stockholders' equity. On July 17, 2000, the Company announced a match of the stock portion of the DCP for the Plan Year 1999 in the amount of $4.5 million, equivalent to 437,880 shares of common stock at a market price of $10.38 per share. The vesting period is over five years with 20% vesting each year at December 31, 2000 through 2004. The related compensation expense will be amortized over the vesting period. The Company charged to compensation expense a total of $0.9 million for the year ended December 31, 2000. The weighted average fair value of the shares granted during the year is $5.90. In October 2000, the Company added the "Retention Program" and the "Recruitment Program" to the DCP, with the awards being effective January 2001. Under the Retention Program, the 125 best sales professionals were credited with 5,700, 4,500 or 3,000 stock units under the DCP (each unit is the equivalent of one share of stock). The stock units do not vest for four years and in the case of those sales professionals who were credited with 5,700 or 4,500 stock units, there was a requirement to execute a long-term covenant not to compete. Under the Recruitment Program, the Company credited either stock units or cash to experienced new hires for sales professional jobs. The share awards ranged from 750 to 4,500 and the cash awards ranged from $30 thousand to $100 thousand.

As allowed under the provisions of SFAS No. 123, Accounting for Stock-Based Compensation, the Company has elected to follow Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its employee stock based compensation plans. Under this method the Company does not recognize compensation expense for options that were granted at or above the market price of the underlying stock on the date of grant. Had compensation expense been determined consistent with SFAS No. 123, the Company's net income and per share information would have been reduced to the following pro forma amounts (in thousands except per share data):

<TABLE>
<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Net Income:			
As Reported	$33,388	$23,282	$24,557
Pro Forma	30,393	19,039	20,396
Basic EPS:			
As Reported	1.60	1.11	(0.38)
Pro Forma	1.45	0.91	(0.59)
Diluted EPS:			
As Reported	1.58	1.10	(0.38)
Pro Forma	1.44	0.91	(0.59)

</TABLE>

Because the SFAS 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The fair value of each option grant and DCP company match is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants:

<TABLE>

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Risk free interest rate.....	6.52%	5.55%	4.95%
Expected volatility.....	58.06%	61.83%	48.16%
Expected life.....	5.00 years	5.00 years	5.00 years

</TABLE>

Dividend yield is excluded from the calculation since it is the present intention of the Company to retain all earnings.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models

require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the Company believes the Black-Scholes model does not necessarily provide a reliable single measure of the fair value of its employee stock options.

Stock Purchase Plans. The Company has restricted stock purchase plans covering select key executives including senior management. A total of 500,000 and 550,000 shares of common stock have been reserved for issuance under the Company's 1999 and 1996 Equity Incentive Plans, respectively. The shares may be issued to senior executives for a purchase price equal to the greater of $18.00 and $10.00 per share or fair market value, respectively. Under the 1999 and 1996 Equity Incentive Plans, the Company issued 285,000 and 50,000 shares in 2000, and 415,833 and 441,937 shares were outstanding at December 31, 2000, respectively. The purchase price for these shares must be paid either in cash or by delivery of a full recourse promissory note. The related promissory notes are also included in the Consolidated Statements of Stockholders' Equity.

In October 1998, the Company offered all employees under the 1990 Stock Option Plan who held options that expired in April 1999 a loan equal to 100% of the total exercise price plus 40% of the difference between the current market value of the shares and the exercise price. Loan proceeds were applied towards the total exercise price and payroll withholding taxes. The loans are evidenced by full recourse promissory notes having a maturity of five years at an interest rate of 6.0%. Interest is due annually, while the principal is due the earlier of five years or upon sale of the shares. The shares issued under this offering may not be sold until after 18 months from the date of issuance. A total of 415,000 shares were issued under this offering. The related promissory notes of $4.7 million and $4.9 million are included in other assets in the Consolidated Balance Sheets at December 31, 2000 and 1999, respectively.

Bonuses. The Company has bonus programs covering select key employees, including senior management. Awards are based on the position and performance of the employee and the achievement of pre-established financial, operating and strategic objectives. The amounts charged to expense for bonuses were $49.8 million, $44.3 million and $33.7 million for the years ended December 31, 2000, 1999, and 1998, respectively.

Capital Accumulation Plan (the Cap Plan). The Cap Plan is a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code and is the Company's only such plan. Under the Cap Plan, each participating employee may elect to defer a portion of his or her earnings and the Company may make additional contributions from the Company's current or accumulated net profits to the Cap Plan in these amounts as determined by the Board of Directors. The Company expensed, in connection with the Cap Plan, $2.2 million and $1.6 million for the years ended December 31, 2000 and 1999. No expense, in connection with the Cap Plan, was incurred for the year ended December 31, 1998.

Employee Stock Purchase Plan. In May 2000, the Company amended and restated, effective July 1, 2000, its 1998 employee stock purchase plan designed exclusively for employees who earn less than $100,000 in total annual compensation. Under the plan, the eligible employees may purchase common stock by means of contributions to the Company at a price equal to 90% of the fair market value of the share on the last trading day of the purchase period. The plan provides for purchases by employees up to an aggregate of 150,000 shares each year for 2000, 2001 and 2002. This program was discontinued effective October 2000.

Pension Plan. The Company, through the acquisition of Hillier Parker, maintains a contributory defined benefit pension plan to provide retirement

benefits to existing and former Hillier Parker employees participating in the plan. It is the Company's policy to fund the minimum annual contributions required by applicable regulations. Pension expense totaled $0.9 million, $1.9 million and $0.9 million in 2000, 1999 and 1998, respectively.

The following sets forth a reconciliation of benefit obligation, plan assets, plan's funded status and amounts recognized in the accompanying Consolidated Balance Sheets:

<TABLE>
<CAPTION>

	Year Ended December 31	
	2000	1999
	(in thousands)	
<S>	<C>	<C>
Change in benefit obligation		
Benefit obligation at beginning of year	$ 72,146	$ 73,190
Service cost	5,728	5,350
Interest cost	4,026	4,175
Plan participants' contributions	671	804
Actuarial gain	(4,680)	(7,495)
Benefits paid	(1,343)	(1,760)
Currency gain	(5,472)	(2,118)
Benefit obligation at end of year	$ 71,076	$ 72,146
Change in plan assets		
Fair value of plan assets at beginning of year	$115,039	$ 95,731
Actual return on plan assets	(3,340)	22,666
Company contributions	1,257	786
Plan participants' contributions	671	419
Benefits paid	(1,343)	(1,760)
Currency loss	(8,596)	(2,803)
Fair value of plan assets at end of year	$103,688	$115,039
Funded status	$ 32,612	$ 42,893
Unrecognized net actuarial gain	(7,941)	(16,570)
Company contributions in the post-measurement period	564	--
Prepaid benefit cost	$ 25,235	$ 26,323

</TABLE>

Weighted-average assumptions used in developing the projected benefit obligation were as follows:

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Discount rate	6.00%	5.75%
Expected return on plan assets	7.75%	7.75%
Rate of compensation increase	5.00%	5.00%

Net periodic pension cost consisted of the following:

<CAPTION>

	Year Ended December 31	
	2000	1999
	(in thousands)	
<S>	<C>	<C>
Employer service cost	$ 5,728	$ 5,350
Interest cost on projected benefit obligation	4,026	4,175
Expected return on plan assets	(8,395)	(7,636)
Unrecognized net gain	(425)	--
Net periodic benefit cost	$ 934	$ 1,889

	=======	=======

</TABLE>

6. Long-term Debt

Long-term debt consists of the following (in thousands):

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Senior Subordinated Notes, less unamortized discount of $1.7 million and $1.9 million at December 31, 2000 and 1999, respectively, with fixed interest at 8.9% due in 2006	$173,336	$173,108
Revolving Credit Facility, with interest ranging from 8.5% to 9.0%, due in 2003	110,000	160,000
Westmark Senior Notes, with interest ranging from 9.0% to 10.0% through December 31, 2004 and at variable rates depending on the Company's credit facility rate thereafter, due from 2001 through 2010	15,502	16,502
Euro cash pool loan, with interest at 6.91% and no stated maturity date	6,946	--
REI Senior Notes, with variable interest rates based on Sterling LIBOR minus 1.5%, due in 2002	2,742	2,965
Shoptaw-James Senior Notes, with fixed interest at 9.0%, due in 2001	810	1,620
Carey, Brumbaugh Senior Notes, with fixed interest at 9.0%, due in 2001	720	1,440
Eberhardt Acquisition Obligations, with fixed interest at 8.0%, due from 2001 through 2002	600	900
Capital lease obligations, mainly for autos and telephone equipment, with interest ranging from 6.8% to 8.9%, due through 2004	2,302	3,554
Other	1,206	4,548
Total	314,164	364,637
Less current maturities	10,593	6,765
Total long-term debt	$303,571	$357,872

</TABLE>

Annual aggregate maturities of long-term debt at December 31, 2000 are as follows (in thousands): 2001--$10,593; 2002--$4,536; 2003--$110,512; 2004--$128; 2005--$20; and $188,375 thereafter.

In October 1999, the Company executed an amendment to the revolving credit facility, eliminating the mandatory reduction on December 31, 1999, and revising some of the restrictive covenants. The new amendment is also subject to mandatory reductions of the facility by $80.0 million and $70.0 million on December 31, 2000 and 2001, respectively. This reduced the facility from $350.0 million to $270.0 million at December 31, 2000. The amount outstanding under this facility was $110.0 million at December 31, 2000. Interest rate alternatives include Bank of America's reference rate plus 1.00% and LIBOR plus 2.00%. The weighted average rate on amounts outstanding at December 31, 2000 was 8.79%.

The revolving credit facility contains numerous restrictive covenants that, among other things, limit the Company's ability to incur or repay other indebtedness, make advances or loans to subsidiaries and other entities, make capital expenditures, incur liens, enter into mergers or effect other fundamental corporate transactions, sell its assets, or declare dividends. In addition, the Company is required to meet certain ratios relating to its adjusted net worth, level of indebtedness, fixed charges and interest coverage.

The Company has outstanding Senior Subordinated Notes (Subordinated Notes) due on June 1, 2006. The Subordinated Notes are redeemable in whole or in part after June 1, 2002 at 104.438% of par on that date and at declining prices thereafter. On or before June 1, 2001, up to 35.0% of the issued amount may be redeemed at 108.875% of par plus accrued interest solely with the proceeds from an equity offering.

The Company has a credit agreement with Residential Funding Corporation (RFC). The credit agreement provides for a revolving line of credit, which bears interest at 1.25% per annum over LIBOR. On July 19, 2000, the Company executed an amendment to the revolving line of credit, increasing the line of credit from $50.0 million to $100.0 million, decreasing the interest rate from 1.25% to 1.00% per annum over LIBOR and extending the expiration date from August 31, 2000 to August 31, 2001. In addition, on November 8, 2000, the Company obtained a temporary line of credit increase of $52.0 million, resulting in a total line of credit equaling $152.0 million. This temporary line of credit increase expired on November 30, 2000. During the year, the Company had a maximum of $151.3 million revolving line of credit principal outstanding. At December 31, 2000, the Company had $0.4 million revolving line of credit principal outstanding.

7. Commitments and Contingencies

In December 1996, GMH Associates, Inc. (GMH) filed a lawsuit against Prudential Realty Group (Prudential) and the Company in the Superior Court of Pennsylvania, Franklin County, alleging various contractual and tort claims against Prudential, the seller of a large office complex, and the Company, its agent in the sale, contending that Prudential breached its agreement to sell the property to GMH, breached its duty to negotiate in good faith, conspired with the Company to conceal from GMH that Prudential was negotiating to sell the property to another purchaser and that Prudential and the Company misrepresented that there were no other negotiations for the sale of the property. Following a non-jury trial, the court rendered a decision in favor of GMH and against Prudential and the Company, awarding GMH $20.3 million in compensatory damages, against Prudential and the Company jointly and severally, and $10.0 million in punitive damages, allocating the punitive damage award $7.0 million as against Prudential and $3.0 million as against the Company. Following the denial of motions by Prudential and the Company for a new trial, a judgment was entered on December 3, 1998. Prudential and the Company filed an appeal of the judgment. On March 3, 2000, the appellate court in Pennsylvania reversed all of the trial courts' decisions finding that liability was not supported on any theory claimed by GMH and directed that a judgment be entered in favor of the defendants including the Company. The plaintiff filed an appeal with the Pennsylvania Supreme Court which was denied. The plaintiff has exhausted all appeal possibilities and judgment is expected to be entered shortly in favor of all defendants.

In August 1993, a former commissioned sales person of the Company filed a lawsuit against the Company in the Superior Court of New Jersey, Bergen County, alleging gender discrimination and wrongful termination by the Company. On November 20, 1996, a jury returned a verdict against the Company, awarding $1.5 million in general damages and $5.0 million in punitive damages to the plaintiff. Subsequently, the trial court awarded the plaintiff $0.6 million in attorneys' fees and costs. Following denial by the trial court of the Company's motions for new trial, reversal of the verdict and reduction of damages, the Company filed an appeal of the verdict and requested a reduction of damages. On March 9, 1999, the appellate court ruled in the Company's favor, reversed the trial court decision and ordered a new trial. On February 16, 2000, the Supreme Court of New Jersey reversed the decision of the appellate court, concluded that the general damage award in the trial court should be sustained and returned the case to the appellate court for a determination as to whether a new trial should be ordered on the issue of punitive damages. In April 2000, the Company settled the compensatory damages claim (including interest) and all claims to date with respect to attorneys fees by paying to the plaintiff the sum of $2.75 million leaving only the punitive damage claim for resolution (the plaintiff also agreed, with very limited exceptions, that no matter what the outcome of the punitive damage claim the Company would not be responsible for more than 50% of the plaintiff's future attorney fees). In February 2001, the Company settled all remaining claims for the sum of $2.0 million and received a comprehensive release.

The Company is a party to a number of pending or threatened lawsuits arising out of, or incident to, its ordinary course of business. Based on available cash and anticipated cash flows, the Company believes that the ultimate outcome will not have an impact on the Company's ability to carry on its operations. Management

believes that any liability to the Company that may result from disposition of these lawsuits will not have a material effect on the consolidated financial position or results of operations of the Company.

The following is a schedule by years of future minimum lease payments for noncancelable leases as of December 31, 2000 (in thousands):

<TABLE>
<CAPTION>

	Capital Leases	Operating Leases
<S>	<C>	<C>
2001	$1,167	$ 48,299
2002	895	40,686
2003	518	33,316
2004	10	25,967
2005	--	22,195
Thereafter	--	97,674
Total minimum payments required	$2,590	$268,137

</TABLE>

The interest portion of capital lease payments represents the amount necessary to reduce net minimum lease payments to present value calculated at the Company's incremental borrowing rate at the inception of the leases. This totaled $0.3 million at December 31, 2000, resulting in a present value of net minimum lease payments of $2.3 million. At December 31, 2000, $0.9 million and $1.4 million are included in the current portion of long-term debt and long-term debt, respectively. In addition, the total minimum payments for noncancelable operating leases have not been reduced by the minimum sublease rental income of $42.9 million due in the future under noncancelable subleases.

Substantially all leases require the Company to pay maintenance costs, insurance and property taxes, and generally may be renewed for five year periods. The composition of total rental expense under noncancelable operating leases consisted of the following (in thousands):

<TABLE>
<CAPTION>

	December 31,		
	2000	1999	1998
<S>	<C>	<C>	<C>
Minimum rentals	$56,243	$51,467	$33,126
Less sublease rentals	(1,387)	(928)	(706)
	$54,856	$50,539	$32,420

</TABLE>

In 1999, the Company entered into an agreement with Fannie Mae in which the Company agreed to fund the purchase of a $103.6 million loan portfolio from proceeds from its RFC line of credit, which was temporarily increased to $140.0 million in 2000. In December 2000, the Company entered into an agreement with Fannie Mae in which the Company agreed to fund the purchase of an additional $7.5 million loan from proceeds from its RFC line of credit. A 100% participation in both the original and additional loan portfolio was subsequently sold to Fannie Mae with the Company retaining the credit risk on the first 2% of loss incurred on the underlying commercial mortgage loans. The Company has collateralized a portion of its obligation to cover the first 2% of losses for both the $103.6 million loan portfolio and the additional $7.5 million loan portfolio by increasing a letter of credit in favor of Fannie Mae to total $1.1 million.

The Company has a participation agreement with RFC whereby RFC agrees to purchase a 99% participation interest in any eligible multifamily mortgage loans owned by the Company and outstanding at quarter-end. This participation agreement, which originally expired on August 31, 2000, has been extended to August 31, 2001.

An important part of the strategy for the Company's investment management business involves investing the Company's own capital in certain real estate investments with its clients. As of December 31, 2000, the Company had committed an additional $37.7 million to fund future co-investments.

8. Income Taxes

The tax provision (benefit) for the years ended December 31, 2000, 1999 and 1998 consisted of the following (in thousands):

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Federal:			
Current	$24,924	$14,403	$ 4,265
Deferred tax	921	(1,417)	14,469
Reduction of valuation allowances	(3,000)	(6,347)	--
	22,845	6,639	18,734
State:			
Current	6,895	5,627	3,470
Deferred tax	(1,243)	(1,411)	(75)
	5,652	4,216	3,395
Foreign:			
Current	7,015	8,837	3,797
Deferred tax	(761)	(3,513)	--
	6,254	5,324	3,797
	$34,751	$16,179	$25,926

</TABLE>

The following is a reconciliation, stated as a percentage of pre-tax income, of the US statutory federal income tax rate to the Company's effective tax rate on income from operations:

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Federal statutory tax rate	35%	35%	35%
Permanent differences, including goodwill, meals, entertainment and other	11	15	8
State taxes, net of federal benefit	6	9	4
Foreign income taxes	4	4	4
Reduction of valuation allowances	(5)	(22)	--
Effective tax rate	51%	41%	51%

</TABLE>

The domestic component of income before provision for income tax included in the consolidated statement of operations was $63.2 million, $32.0 million and $45.6 million, for 2000, 1999 and 1998, respectively. The international component of income before provision for income tax was $4.9 million, $7.4 million and $4.9 million, for 2000, 1999 and 1998, respectively.

Cumulative tax effects of temporary differences are shown below at December 31, 2000 and 1999 (in thousands):

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Asset (Liability)		
Property and equipment	$ 11,910	$ 5,820
Bad debts and other reserves	12,832	15,940
Intangible amortization	(15,736)	(16,533)
Bonus, unexercised restricted stock, deferred compensation	35,343	23,990
Partnership income	6,950	7,092
Net operating loss (NOL) and alternative minimum tax credit carryforwards	6,134	23,086
Unconsolidated affiliates	1,010	(1,167)
All other, net	1,853	2,040

Net deferred tax asset before valuation allowances.....	60,296	60,268
Valuation allowances.....	(16,830)	(20,320)
Net deferred tax asset.....	$ 43,466	$ 39,948

</TABLE>

The Company had federal income tax NOLs of approximately $16.3 million at December 31, 2000, corresponding to $5.7 million of the Company's $60.3 million in net deferred tax assets before valuation allowances.

The ability of the Company to utilize NOLs was limited in 1998 and will be in subsequent years as a result of the Company's 1996 public offering, the 1997 Koll acquisition and the 1998 repurchase of preferred stock which cumulatively caused a more than 50.0% change of ownership within a three year period. As a result of the limitation, the Company's ability to utilize its existing NOLs is limited to $26.0 million on an annual basis. It is anticipated that the Company will utilize the remaining NOLs in 2001.

A deferred US tax liability has not been provided on the unremitted earnings of foreign subsidiaries because it is the intent of the Company to permanently reinvest these earnings. Undistributed earnings of foreign subsidiaries, which have been or are intended to be permanently invested in accordance with APB No. 23, Accounting for Income Taxes--Special Areas, aggregated $27.7 million at December 31, 2000.

9. Earnings Per Share Information

Basic earnings (loss) per share was computed by dividing net income (loss), less preferred dividend requirements as applicable, by the weighted average number of common shares outstanding during each period. The computation of diluted earnings (loss) per share further assumes the dilutive effect of stock options, stock warrants and other stock-based compensation programs, as well as the conversion of the preferred stock during periods when preferred stock was outstanding and was dilutive.

In January 1998, the Company repurchased all 4.0 million shares of its outstanding convertible preferred stock. The portion of the purchase price in excess of the carrying value represents the deemed dividend charge to net income applicable to common shareholders when computing basic and diluted earnings (loss) per share for the year ended December 31, 1998.

The following is a calculation of earnings (loss) per share for the years ended December 31 (in thousands, except share and per share data):

<TABLE>
<CAPTION>

	2000			1999			1998		
	Income	Shares	Per-Share Amount	Income	Shares	Per-Share Amount	Income	Shares	Per-Share Amount
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Basic earnings (loss) per share:									
Net income.....	$33,388			$23,282			$ 24,557		
Deemed dividend on preferred stock repurchase.....	--			--			(32,273)		
Net income (loss) applicable to common stockholders.....	$33,388	20,931,111	$1.60	$23,282	20,998,097	$1.11	$ (7,716)	20,136,117	$(0.38)
Diluted earnings (loss) per share:									
Net income (loss) applicable to common stockholders.....	$33,388	20,931,111		$23,282	20,998,097		$ (7,716)	20,136,117	
Diluted effect of exercise of options outstanding.....		35,594			74,339			--	
Diluted effect of stock-based compensation programs.....		130,535			--			--	

Net income (loss) applicable to common stockholders.....	$33,388	21,097,240	$1.58	$23,282	21,072,436	$1.10	$ (7,716)	20,136,117	$(0.38)

</TABLE>

The following items were not included in the computation of diluted earnings per share because their effect in the aggregate was anti-dilutive for the years ended December 31,

<TABLE>
<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Stock options			
Outstanding.....	2,574,029	2,008,659	2,337,118
Price ranges.....	$11.81-$36.75	$16.38-$36.75	$0.30-$37.31
Expiration ranges.....	6/8/04-8/31/10	6/8/04-5/31/09	4/18/99-7/22/08
Stock warrants			
Outstanding.....	598,387	599,967	599,967
Price.....	$30.00	$30.00	$30.00
Expiration date.....	8/28/04	8/28/04	8/28/04

</TABLE>

10. Disclosures About Fair Value of Financial Instruments

Long-term Debt. Based on dealer's quote, the estimated fair value of the Company's $173.3 million Senior Subordinated Note, discussed in Note 6, is $155.8 million.

Estimated fair values for the Revolving Credit Facilities and the remaining long-term debts are not presented because the Company believes that it is not materially different from book value, primarily because the majority of the Company's debt is based on variable rates.

11. Industry Segments

In July 1999, the Company undertook a reorganization to streamline its US operations which resulted in a change in its segment reporting from four to three segments. The Company has a number of lines of business which are aggregated, reported and managed through these three segments: Transaction Management, Financial Services and Management Services. The Transaction Management segment is our largest generator of revenue and operating income and includes Brokerage Services, Corporate Services and Investment Property activities. Brokerage Services includes activities that provide sales, leasing and consulting services in connection with commercial real estate and is the Company's primary revenue source. Corporate Services focuses on building relationships with large corporate clients which generate recurring revenue. Investment Property activities provide brokerage services for commercial real property marketed for sale to institutional and private investors. The Financial Services segment provides commercial mortgage, valuation, investment management and consulting and research services. The Management Services segment provides facility management services to corporate real estate users and property management and related services to owners. The following table summarizes the revenue, cost and expenses, and operating income (loss) by operating segment for the year ended December 31, 2000, 1999 and 1998 (in thousands):

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Revenue:			
Transaction Management			
Leases.....	$ 510,287	$ 426,108	$ 352,811
Sales.....	378,486	383,726	330,206
Other consulting and referral fees(1).....	61,479	71,095	79,934
Total revenue.....	950,252	880,929	762,951
Financial Services			
Appraisal fees.....	72,861	69,007	48,090
Loan origination and servicing fees.....	58,188	45,938	39,402
Investment management fees.....	40,433	27,323	32,591

Other(1)	42,622	35,059	25,167
Total revenue	214,104	177,327	145,250
Management Services			
Property management fees	83,251	79,994	67,300
Facilities management fees	23,069	25,597	17,219
Other(1)	52,928	49,192	41,783
Total revenue	159,248	154,783	126,302
Consolidated revenues	$1,323,604	$1,213,039	$1,034,503
Operating income (loss)			
Transaction Management	$ 83,305	$ 68,382	$ 81,232
Financial Services	17,712	7,113	6,849
Management Services	6,268	1,404	6,980
Merger-related and other nonrecurring charges	--	--	(16,585)
	107,285	76,899	78,476
Interest income	2,554	1,930	3,054
Interest expense	41,700	39,368	31,047
Income before provision for income taxes	$ 68,139	$ 39,461	$ 50,483

</TABLE>

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Depreciation and amortization			
Transaction Management	$21,342	$20,676	$13,722
Financial Services	12,001	10,719	11,025
Management Services	9,856	9,075	7,438
	$43,199	$40,470	$32,185

</TABLE>

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Capital expenditures			
Transaction Management	$15,435	$15,830	$12,669
Financial Services	6,674	11,030	10,179
Management Services	4,812	8,270	6,867
	$26,921	$35,130	$29,715
Equity interest in earnings of unconsolidated subsidiaries			
Transaction Management	$ 3,930	$ 2,542	$ 315
Financial Services	1,162	4,030	706
Management Services	2,020	956	2,422
	$ 7,112	$ 7,528	$ 3,443

</TABLE>

- --------

(1) Revenue is allocated by material line of business specific to each segment. "Other" includes types of revenue that have not been broken out separately due to their immaterial balances and/or nonrecurring nature within each segment. Certain revenue types disclosed on the consolidated statements of operations may not be derived directly from amounts shown in this table.

<TABLE>
<CAPTION>

	December 31

	2000	1999
<S>	<C>	<C>
Identifiable assets		
Transaction Management	$477,268	$444,422
Financial Services	261,682	246,151
Management Services	159,835	171,118
Corporate	64,320	67,792
	$963,105	$929,483

Identifiable assets by industry segment are those assets used in the Company operations in each segment. Corporate identified assets are principally made up of cash and cash equivalents and deferred taxes.

<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Investment in and advances to unconsolidated subsidiaries		
Transaction Management	$ 14,208	$ 11,352
Financial Services	15,199	18,587
Management Services	11,918	8,575
	$41,325	$ 38,514

</TABLE>

Geographic Information:

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Revenue			
Americas			
United States	$1,027,359	$ 940,341	$ 884,304
Canada, South and Central America	46,721	42,112	16,473
	1,074,080	982,453	900,777
Asia Pacific	84,985	79,420	46,528
Europe, Middle East and Africa	164,539	151,166	87,198
	$1,323,604	$1,213,039	$1,034,503

</TABLE>

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Long-Lived assets		
United States	$55,100	$51,064
All other countries	20,892	19,085
	$75,992	$70,149

</TABLE>

Long lived assets include property, plant and equipment.

12. Subsequent Event

On February 24, 2001, the Company announced that it had entered into a merger agreement providing for the acquisition of the Company by Blum CB Corporation (Blum CB) for $16.00 per share in cash. Blum CB is an affiliate of Blum Capital Partners, Freeman Spogli & Co. and certain directors and executive officers of the Company.

The agreement provides that the Company employees will have the option to roll over their existing shares in the Company's deferred compensation plan and a portion of the Company shares held in their 401(k) accounts. Employees will also be provided the opportunity to make a direct equity investment in the surviving company.

The acquisition, which is expected to close early in the third quarter, remains subject to certain conditions, including the receipt of Blum CB's debt financing, the approval of the merger by the holders of two-thirds of the outstanding shares of the Company not owned by the buying group, the expiration or termination of waiting periods under applicable antitrust laws and a successful tender offer for at least 51% of the Company's outstanding 8 7/8% Senior Subordinated Notes. The Company will pay a termination fee of $7.5 million and reimburse up to $3.0 million of the buying group's expenses if the Company wishes to accept a superior acquisition proposal.

CB RICHARD ELLIS SERVICES, INC.

QUARTERLY RESULTS OF OPERATIONS AND OTHER FINANCIAL DATA
(Unaudited)

The following table sets forth the Company's unaudited quarterly results of operations. The unaudited quarterly information should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto. The operating results for any quarter are not necessarily indicative of the results for any future period.

<TABLE>
<CAPTION>

	2000				1999			
	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31
	(Dollars in thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Results of Operation:								
Revenue	$ 418,280	$ 326,521	$ 317,884	$ 260,919	$ 395,653	$ 307,018	$ 277,167	$ 233,201
Operating income	$ 50,617	$ 24,884	$ 22,545	$ 9,239	$ 35,197	$ 20,046	$ 16,580	$ 5,076
Interest expense, net	$ 9,018	$ 10,039	$ 10,893	$ 9,196	$ 9,629	$ 9,503	$ 9,667	$ 8,639
Net income (loss)	$ 20,914	$ 6,977	$ 5,477	$ 20	$ 17,031	$ 4,648	$ 3,356	$ (1,753)
Basic EPS(1)	$ 0.99	$ 0.34	$ 0.26	$ --	$ 0.81	$ 0.22	$ 0.16	$ (0.08)
Weighted average shares outstanding for basic EPS(1)	21,217,685	20,086,651	20,879,218	20,819,268	20,928,615	21,098,757	21,032,324	20,640,438
Diluted EPS(1)	$ 0.97	$ 0.33	$ 0.26	$ --	$ 0.81	$ 0.22	$ 0.16	$ (0.08)
Weighted average shares outstanding for diluted EPS(1)	21,554,942	20,881,092	20,906,117	20,851,184	20,964,066	21,162,334	21,125,074	20,640,438
Other Financial Data:								
EBITDA, excluding merger-related and other nonrecurring charges	$ 61,682	$ 35,718	$ 33,276	$ 19,808	$ 45,704	$ 30,047	$ 26,548	$ 15,070
Net cash provided by (used in) operating activities	$ 86,601	$ 48,528	$ 16,505	$ (67,522)	$ 71,174	$ 47,062	$ 10,122	$ (54,347)
Net cash (used in) provided by investing								

activities.....	$ (7,350)	$ (16,255)	$ (18,431)	$ 6,314	$ (5,417)	$ (6,863)	$ (16,327)	$ 1,840
Net cash (used in) provided by financing activities.....	$ (80,037)	$ (28,824)	$ (3,456)	$ 58,794	$ (62,330)	$ (27,820)	$ 2,389	$ 50,040
Balance Sheet Data:								
Cash and cash equivalents.....	$ 20,854	$ 20,724	$ 19,195	$ 24,791	$ 27,844	$ 25,122	$ 12,553	$ 17,425
Total assets.....	$ 963,105	$ 930,029	$ 904,925	$ 897,756	$ 929,483	$ 871,159	$ 841,311	$ 824,757
Total long-term debt....	$ 303,571	$ 390,624	$ 418,231	$ 416,531	$ 357,872	$ 413,227	$ 435,419	$ 431,135
Total liabilities.....	$ 724,018	$ 717,618	$ 693,416	$ 687,765	$ 715,874	$ 670,685	$ 648,801	$ 634,707
Total stockholders equity.....	$ 235,339	$ 209,569	$ 208,276	$ 206,711	$ 209,737	$ 196,324	$ 187,819	$ 185,259
Number of shares outstanding.....	20,605,023	20,246,122	20,270,560	20,408,692	20,435,692	20,686,995	20,794,165	20,640,865
Ratios:								
Debt/equity.....	1.33	1.88	2.03	2.04	1.74	2.13	2.35	2.37
EBITDA, excluding merger-related and other nonrecurring charges net interest expense.....	6.84	3.56	3.05	2.15	4.75	3.16	2.75	1.74
EBITDA, excluding merger-related and other nonrecurring charges as a percentage of revenue.....	14.7%	10.9%	10.5%	7.6%	11.6%	9.8%	9.6%	6.5 %
Net income as a percentage of revenue..	5.0%	2.1%	1.7%	--	4.3%	1.5%	1.2%	(0.8)%
International revenue as a percentage of consolidated revenue...	21.6%	21.8%	22.7%	23.9%	22.5%	22.5%	22.3%	22.6 %

- --------
(1) EPS is defined as earnings (loss) per share

CB RICHARD ELLIS SERVICES, INC.

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
(Dollars in thousands)

	Above Market Lease Reserve	Allowance for Bad Debts	Legal Reserve	Other Reserves
Balance, December 31, 1997...	$ --	$ 8,980	$ 9,807	$ 9,108
CB Canada balances at the date of acquisition.....	--	606	--	--
REI balances at the date of acquisition.....	--	2,211	--	256
Hillier Parker balances at the date of acquisition...	13,360	895	72	421
Charges to expense.....	--	2,978	1,843	364

Write-offs, payments and other	(54)	(2,322)	(1,623)	(6,004)
Balance, December 31, 1998	13,306	13,348	10,099	4,145
Charges to expense	--	2,560	2,164	26
Write-offs, payments and other	(384)	(348)	(4,000)	(2,526)
Balance, December 31, 1999	12,922	15,560	8,263	1,645
Charges to expense	--	3,061	2,015	49
Write-offs, payments and other	(1,568)	(5,990)	(5,139)	(291)
Balance, December 31, 2000	$11,354	$12,631	$ 5,139	$ 1,403

3,236,639 Shares of Class A Common Stock

1,820,397 Options to Acquire Class A Common Stock

CBRE Holding, Inc.

[LOGO OF CB RICHARD ELLIS]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, all of which will be paid by CBRE Holding, Inc. All amounts are estimates other than the registration fee.

SEC registration fee	$ 20,235
Accounting fees and expenses	500,000
Legal fees and expenses	1,000,000
Printing and engraving expenses	500,000
Transfer agent fees and expenses	10,000
Blue sky fees and expenses	7,000
Miscellaneous fees and expenses	62,765
Total	$2,100,000

Item 14. Indemnification of Directors and Officers.

Section 102 of the Delaware General Corporation Law, or the DGCL, as amended, allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the DGCL provides, among other things, that we may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of CBRE Holding) by reason of the fact that the person is or was a director, officer, agent or employee of CBRE Holding or is or was serving at our request as a director, officer, agent, or employee of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, judgment, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding. The power to indemnify applies (a) if the person is successful on the merits or otherwise in defense of any action, suit or proceeding or (b) if the person acted in good faith and in a manner he

reasonably believed to be in the best interest, or not opposed to the best interest, of CBRE Holding, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The power to indemnify applies to actions brought by or in the right of CBRE Holding as well, but only to the extent of defense expenses (including attorneys' fees but excluding amounts paid in settlement) actually and reasonably incurred and not to any satisfaction of judgment or settlement of the claim itself, and with the further limitation that in these actions no indemnification shall be made in the event of any adjudication of negligence or misconduct in the performance of his duties to CBRE Holding, unless the court believes that in light of all the circumstances indemnification should apply.

Section 174 of the DGCL provides, among other things, that a director, who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for these actions. A director who was either absent when the unlawful actions were approved or dissented at the time, may avoid liability by causing his or her dissent to these actions to be entered in the books containing the minutes of the meetings of the board of directors at the time the action occurred or immediately after the absent director receives notice of the unlawful acts.

Our restated certificate of incorporation includes a provision that limits the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except to the extent such limitation is not permitted under the Delaware General Corporation Law.

Our restated certificate of incorporation provides that:

- we must indemnify our directors and officers to the fullest extent permitted by Delaware law;
- we must indemnify our other employees and agents to the same extent that we indemnified our directors and officers unless otherwise determined by our board of directors; and
- we must advance expenses, as incurred, to our directors and executive officers in connection with a legal proceeding to the fullest extent permitted by Delaware Law.

The indemnification provisions contained in our certificate of incorporation and bylaws are not exclusive of any other rights to which a person may be entitled by law, agreement, vote of stockholders or disinterested directors or otherwise. In addition, we maintain insurance on behalf of our directors and executive officers insuring them against any liability asserted against them in their capacities as directors or officers or arising out of this status.

Item 15. Recent Sales of Unregistered Securities.

Since inception, we have issued or will issue unregistered securities without registration under the Securities Act of 1933, as amended as follows:

On February 22, 2001, we sold and issued 10 shares of our Class B common stock to RCBA Strategic Partners, L.P. for an aggregate cash consideration of $160.00. RCBA Strategic Partners will sign the securityholders' agreement described in the prospectus that is included in this registration statement, and these shares will become subject to the terms of such agreement, only upon completion of the merger.

On June 7, 2001, we sold and issued 241,875 shares of our Class B common stock to RCBA Strategic Partners, L.P. for an aggregate cash consideration of $3,870,000. These shares were purchased in connection with the closing of the sale of 11 1/4% senior subordinated notes by BLUM CB Corp. The proceeds from the sale of those shares to RCBA Strategic were contributed to BLUM CB Corp., which deposited the proceeds in an escrow account for release when the merger between BLUM CB Corp. and CB Richard Ellis Services is completed.

Immediately prior to the merger, the members of the buying group will contribute 8,052,087 shares of CB Richard Ellis Services' common stock to us. Each of the shares of CB Richard Ellis Services' common stock that the members of the buying group contribute to us will be cancelled as a result of the merger. As a result of the contributions of CB Richard Ellis Services' common stock, we will issue an aggregate of 8,052,087 shares of our Class B common stock to the members of the buying group.

Also pursuant to the contribution and voting agreement, immediately prior to the merger, the BLUM Funds have agreed to purchase for cash a minimum of 2,553,879 shares of our Class B common stock at $16.00 per share. In addition, the BLUM Funds have agreed to purchase for cash an additional number of shares of our Class B common stock for $16.00 per share equal to (1) 3,236,639 shares

minus (2) the number of shares of our Class A common stock and stock fund units subscribed for in the offering made by this prospectus plus (3) the aggregate amount of full-recourse notes delivered by designated managers in the offerings divided by $16.00. The number of shares purchased by the BLUM Funds will be reduced by 241,885 shares, as a result of the prior purchases on February 22, 2001 and June 7, 2001 by RCBA Strategic as described above. After the offerings are completed depending on the amount to which the offerings are fully subscribed, the shares of our Class A and Class B common stock owned by the buying group will be equal to between approximately 80% and 96% of our outstanding Class A and Class B common stock, taken together.

Upon consummation of the merger, the warrants to acquire 364,884 shares of CB Richard Ellis Services common stock owned by FSEP Equity Partners III, L.P. and FSEP International will be cancelled and we will issue new warrants to each of them to purchase up to an aggregate number of shares of our Class B common stock equal to the number that represents the same percentage of the total outstanding shares of our common stock immediately after consummation of the merger as the warrants to acquire 364,884 shares of CB Richard Ellis Services common stock entitled Freeman Spogli to acquire immediately prior to the consummation of the merger. At any time on or after August 26, 2007, Freeman Spogli may exercise some or all of these warrants. In addition, upon a qualifying underwritten initial public offering, a change of control or merger, in each case as defined in the warrant agreement, these warrants will convert automatically.

The sales of the above securities will be deemed to be exempt from registration in reliance on Section 4(2) of the Securities Act and/or Regulation D promulgated under the Securities Act. These sales will be made without general solicitation or advertising. The recipients in each such transaction will represent their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends will be affixed to the share certificates and warrants issued in such transactions. All recipients will have adequate access, through their relationship with us, to information about us.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

<TABLE>
<CAPTION>

Exhibit	Description
<C>	<S>
2.1*	Amended and Restated Agreement and Plan of Merger dated as of May 31, 2001 by and among CB Richard Ellis Services, Inc., CBRE Holding, Inc. (the "Company" and formerly BLUM CB Holding Corp.), and BLUM CB Corp.
3.1(a)	Certificate of Incorporation of the Company
3.1(b)	Amendment to the Certificate of Incorporation of the Company, dated as of March 26, 2001
3.1(c)	Amendment to the Certificate of Incorporation of the Company, dated as of June 1, 2001
3.2	Restated Certificate of Incorporation of the Company
3.3	Bylaws of the Company
3.4	Restated Bylaws of the Company
4.1	Specimen Class A Common Stock Certificate
4.2(a)*	Amended and Restated Contribution and Voting Agreement dated as of May 31, 2001 by and among the Company, BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., The Koll Holding Company, Donald Koll, Frederic V. Malek, Raymond E. Wirta and Brett White
4.2(b)	Form of Securityholders' Agreement (Exhibit A to the Contribution and Voting Agreement set forth in Exhibit 4.2(a) hereto)
4.2(c)*	Form of Warrant Agreement (Exhibit B to the Contribution and Voting Agreement set forth in Exhibit 4.2(a) hereto)
4.3	Form of Designated Manager Subscription Agreement
4.4	Form of Employee Subscription Agreement

4.5	Purchase Agreement between the Company and Credit Suisse First Boston Corporation dated as of June 29, 2001
4.6	Form of Pledge Agreement
4.7	Indenture between CB Commercial Real Estate Services Group, Inc. and State Street Bank and Trust Company of California, N.A., as Trustee, dated as of May 26, 1998 for 8 7/8% Senior Subordinated Notes due 2008

</TABLE>

<TABLE>
<CAPTION>

Exhibit	Description
<C>	<S>
4.8	First Supplemental Indenture between CB Richard Ellis Services, Inc. and State Street Bank and Trust Company of California, N.A., as Trustee, dated as of May 26, 1998 for 8 7/8% Senior Subordinated Notes due 2008
4.9	Purchase Agreement, dated as of May 31, 2001, among the Company, BLUM CB Corp. and Credit Suisse First Boston Corporation
4.10	Indenture, dated as of June 7, 2001, among the Company, BLUM CB Corp. and State Street Bank and Trust Company of California, N.A., as Trustee, for 11 1/4% Senior Subordinated Notes due 2011
4.11	Registration Rights Agreement, dated as of May 31, 2001, among the Company, BLUM CB Corp. and Credit Suisse First Boston Corporation
5.1	Form of Opinion of Simpson Thacher & Bartlett
5.2	Form of Opinion of O'Melveny & Myers LLP
10.1	CBRE Holding, Inc. 2001 Stock Incentive Plan
10.2	Form of Full-Recourse Note
10.3	Form of Stock Option Agreement
10.4*	CB Richard Ellis Services, Inc. Amended and Restated Deferred Compensation Plan
10.5*	CB Richard Ellis Services, Inc. Deferred Compensation Plan Election Form
10.6*	CB Richard Ellis Services, Inc. Amended and Restated 401(k) Plan
10.7*	CB Richard Ellis Services, Inc. 401(k) Plan Instruction Form
10.8*	Raymond Wirta Employment Agreement
10.9*	Brett White Employment Agreement
10.10	Employment Agreement dated as of May 23, 1997 between the Company and James J. Didion
10.11(a)	CSFB Commitment Letter, dated as of February 23, 2001 by and between Credit Suisse First Boston and the Company
10.11(b)	Amendment to the CSFB Commitment Letter dated as of May 31, 2001 by and between Credit Suisse First Boston and the Company
10.12(a)	DLJ Commitment Letter, dated as of February 23, 2001 by and between DLJ Investment Funding, Inc. and the Company
10.12(b)	Amendment to the DLJ Commitment Letter dated as of May 31, 2001 by and between DLJ Investment Funding, Inc. and the Company
10.12(c)	Amendment to the DLJ Commitment Letter dated as of June 29, 2001 by and between DLJ Investment Funding, Inc. and the Company
12.1*	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends
21.1	Subsidiaries of the Company
23.1	Consent of Arthur Andersen LLP

23.2 Consent of Simpson Thacher & Bartlett (included in Exhibit 5.1)

23.3 Consent of O'Melveny & Myers LLP (included in Exhibit 5.2)
</TABLE>

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* Previously filed.

** To be filed by amendment.

(b) Schedules

i) Schedule II--Valuation and Qualifying Accounts

ii) Report of Independent Accountants on Financial Statement Schedule

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14, or otherwise, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification by the registrant against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by itself is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on July 5, 2001.

CBRE Holding, Inc.

/s/ Claus Moller

By: _____
Claus Moller
President and Sole Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on July 5, 2001 by the following persons in the capacities indicated.

<TABLE>
<CAPTION>

Name	Title

/s/ Claus Moller Claus Moller	President and Sole Director (Principal Executive Officer)
/s/ Christian Puscasiu Christian Puscasiu	Treasurer (Principal Financial Officer)

</TABLE>

EXHIBIT INDEX

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23.2	Consent of Simpson Thacher & Bartlett (included in Exhibit 5.1)
23.3	Consent of O'Melveny & Myers LLP (included in Exhibit 5.2)

Exhibit 3.1(a)

CERTIFICATE OF INCORPORATION

of

BLUM CB HOLDING CORP.

The undersigned, in order to form a corporation for the purpose hereinafter stated, under and pursuant to the provisions of the Delaware General Corporation Law, hereby certifies that:

FIRST: The name of the Corporation is BLUM CB Holding Corp. (hereinafter called the "Corporation").

SECOND: The registered office and registered agent of the Corporation is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock that the Corporation is authorized to issue is 2,000 shares of Common Stock, par value $0.01 each.

FIFTH: The name and address of the incorporator is Jason P. Fiorillo, 3330 Hillview Avenue, Palo Alto, California 94304.

SIXTH: (1) To the fullest extent permitted by the laws of the State of Delaware:

(a) The Corporation shall indemnify any person (and such person's heirs, executors or administrators) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or such heirs, executors or administrators in connection with such action, suit or proceeding, including appeals. Notwithstanding the preceding sentence, the Corporation shall be required to indemnify a person described in such sentence in connection with any action, suit or proceeding (or part thereof) commenced by such person only if the commencement of such action, suit or proceeding (or part thereof) by such person was authorized by the Board of Directors of the Corporation. The Corporation may indemnify any person (and

such person's heirs, executors or administrators) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, by reason of the fact that such person is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or such heirs, executors or administrators in connection with such action, suit or proceeding, including appeals.

(b) The Corporation shall promptly pay expenses incurred by any person described in the first sentence of subsection (a) of this Article Sixth, Section (1) in defending any action, suit or proceeding in advance of the final disposition of such action, suit or proceeding, including appeals, upon presentation of appropriate documentation.

(c) The Corporation may purchase and maintain insurance on behalf of any person described in subsection (a) of this Article Sixth, Section (1) against any liability asserted against such person, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article Sixth, Section (1) or otherwise.

(d) The provisions of this Article Sixth, Section (1) shall be applicable to all actions, claims, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Article Sixth, Section (1) shall be deemed to be a contract between the Corporation and each director, officer, employee or agent who serves in such capacity at any time while this Article Sixth, Section (1) and the relevant provisions of the laws of the State of Delaware and other applicable law, if any, are in effect, and any repeal or modification hereof shall not affect any rights or obligations then existing with respect to any state of facts or any action, suit or proceeding then or theretofore existing, or any action, suit or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. If any provision of this Article Sixth, Section (1) shall be found to be invalid or limited in application by reason of any law or regulation, it shall not affect the validity of the remaining provisions hereof. The rights of indemnification provided in this Article Sixth, Section (1) shall neither be exclusive of, nor be deemed in limitation of, any rights to which an officer, director, employee or agent may otherwise be entitled or permitted by contract, this Certificate of Incorporation, vote of stockholders or directors or otherwise, or as a matter of law, both as to actions in such person's official capacity and actions in any other capacity while holding such office, it being the policy of the Corporation that indemnification of any person whom the Corporation is obligated to indemnify pursuant to the first sentence of subsection (a) of this Article Sixth, Section (1) shall be made to the fullest extent permitted by law.

(e) For purposes of this Article Sixth, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries.

(2) A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

SEVENTH: The Board of Directors of the Corporation, acting by majority vote, may alter, amend or repeal the By-Laws of the Corporation.

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Incorporation on February 20, 2001.

/s/ Jason P. Fiorillo

Jason P. Fiorillo
Sole Incorporator

Exhibit 3.1(b)

CERTIFICATE OF AMENDMENT

of the

CERTIFICATE OF INCORPORATION

of

BLUM CB HOLDING CORP.

BLUM CB Holding Corp., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

1. That Article I of the certificate of Incorporation of the Corporation be, and hereby is, amended to read in its entirety as follows:

"The name of the Corporation is CBRE Holding, Inc. (hereinafter called the "Corporation")."

2. That this amendment of the Certificate of Incorporation of the Corporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, being the Sole Director of the Corporation, has executed this Certificate of Amendment as of March 26, 2001.

By: /s/ Claus. J. Moller

Name: Claus J. Moller

Title: Sole Director

Exhibit 3.1(c)

CERTIFICATE OF AMENDMENT

of the

CERTIFICATE OF INCORPORATION

of

CBRE HOLDING, INC.

CBRE Holding, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

1. That Article FOURTH of the Certificate of Incorporation of the Corporation be, and hereby is, amended to read in its entirety as follows:

"The total number of shares of stock that the Corporation is authorized to issue is 500,000 shares of Common Stock, par value $0.01 each."

2. That this amendment of the Certificate of Incorporation of the Corporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, being the Vice President of the Corporation, has executed this Certificate of Amendment as of June 1, 2001.

By: /s/ Christian Puscasiu

Name: Christian Puscasiu

Title: Vice President

Exhibit 3.2

RESTATED CERTIFICATE OF INCORPORATION

of

CBRE HOLDING, INC.

CBRE Holding, Inc., a corporation organized and existing under the laws of the State of Delaware, DOES HEREBY CERTIFY:

1. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was February 20, 2001 under the name of BLUM CB Holding Corp. and the date of the filing of its Certificate of Amendment of the Certificate of Incorporation with the Secretary of State of Delaware was March 26, 2001 under the name of CBRE Holding, Inc.

2. This Restated Certificate of Incorporation has been duly adopted in accordance with Sections 103, 242 and 245 of the General Corporation Law of the State of Delaware. The Corporation has received payment for its stock.

3. The Board of Directors of the Corporation, pursuant to a unanimous written action in lieu of a meeting pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, adopted resolutions proposing and declaring advisable that the Corporation restate its Certificate of Incorporation to read in its entirety as follows:

FIRST: The name of this Corporation is CBRE Holding, Inc. (hereinafter called the "Corporation").

SECOND: The registered office and registered agent of the Corporation is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of capital stock the Corporation shall have authority to issue is 100,000,000 shares, which shall be divided into two classes: (i) 75,000,000 shares shall be Class A Common Stock, $.01 par value per share (the "Class A Common Stock"), and (ii) 25,000,000 shares shall be Class B Common Stock, $.01 par value per share (the "Class B Common Stock"). The Class A Common Stock and Class B Common Stock are sometimes referred to herein as the "Common Stock."

The following is a statement of the relative powers, preferences and participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, of the Class A Common Stock and Class B Common Stock.

1. General. Except as otherwise set forth below in this Article FOURTH, the relative powers, preferences and participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Class A Common Stock and Class B Common Stock shall be identical in all respects.

2. Voting Rights. Except as otherwise required by this Restated Certificate of Incorporation or by applicable law, at every meeting of the stockholders of the Corporation every holder of Class A Common Stock shall be entitled to one vote in person or by proxy for each share of Class A Common Stock standing in his, her or its name on the transfer books of the Corporation in connection with the election of directors and all other matters submitted to a vote of stockholders. Except as otherwise required by this Restated Certificate of Incorporation or by applicable law, at every meeting of the stockholders of the Corporation every holder of Class B Common Stock shall be entitled to ten votes in person or by proxy for each share of Class B Common

Stock standing in his, her or its name on the transfer books of the Corporation in connection with the election of directors and all other matters submitted to a vote of stockholders. Except as otherwise required by this Restated Certificate of Incorporation or by applicable law, the holders of Class A Common Stock and Class B Common Stock shall vote together as a single class on all matters submitted to a vote of stockholders of the Corporation.

3. Dividends. Subject to the other provisions of this Restated Certificate of Incorporation, holders of Class A Common Stock and Class B Common Stock shall be entitled to receive such dividends and other distributions in cash, stock of any corporation (other than Common Stock) or property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in all such dividends and other distributions. In the case of dividends or other distributions payable in Common Stock, including distributions pursuant to stock splits or divisions of Common Stock of the Corporation, only shares of Class A Common Stock shall be paid or distributed with respect to Class A Common Stock and only shares of Class B Common Stock shall be paid or distributed with respect to Class B Common Stock; provided, however, in the event a dividend or distribution shall be paid or distributed with respect to one class of Common Stock a simultaneous dividend or distribution shall be paid or distributed on the other class and in the same proportion.

4. Changes in Capitalization. In the event there is an increase or decrease in the number of issued shares of Common Stock resulting from any stock split, stock dividend, reverse stock split, combination or reclassification of the Common Stock, or any other similar event resulting in an increase or decrease in the number of outstanding shares of Common Stock, the outstanding shares of Class A Common Stock and the outstanding shares of Class B Common Stock shall be adjusted in the same manner in all respects.

5. Dissolution. In the event of any dissolution, liquidation or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets and funds of the Corporation shall be distributed pro rata to the holders of Common Stock and the holders of Class A Common Stock and the holders of Class B Common Stock will be entitled to receive the same amount per share in respect thereof.

6. Merger. Unless otherwise approved by a majority of the votes entitled to be cast by the holders of the outstanding shares of Class A Common Stock and the outstanding shares of Class B Common Stock, each voting separately as a class, in case of any reorganization or any consolidation of the Corporation with one or more other corporations or entities or a merger of the Corporation with another corporation or entity in which shares of Class A Common Stock or Class B Common Stock are converted into (or entitled to receive with respect thereto) shares of stock and/or other securities or property (including cash, the "Merger Consideration"), each holder of a share of Class A Common Stock shall be entitled to receive with respect to such share the same kind and amount of Merger Consideration receivable upon such reorganization, consolidation or merger (a "Merger") by a holder of a share of Class B Common Stock, and each holder of a share of Class B Common Stock shall be entitled to receive with respect to such share the same kind and amount of Merger Consideration receivable upon such Merger by a holder of a share of Class A Common Stock; provided, however, that subject to compliance with applicable law, in the event that the one or more of the other corporations or entities that is a party to a Merger notifies the Corporation that it will require the structure of the Merger to be treated as a recapitalization for financial accounting purposes and that it will require the Corporation to no longer be subject to the reporting requirements or Section 14 of the Securities Exchange Act of 1934, as amended, after the closing date of the Merger, then, solely to the extent deemed necessary by such other corporation or entity to satisfy such requirements, the Merger Consideration a holder of a share of Class A Common Stock shall be entitled to receive with respect to such share may be a different kind than the Merger Consideration a holder of a share of Class B Common Stock shall be entitled to receive with respect to such share. Without limiting the proviso set forth in the foregoing sentence, in the event that the holders of Class A Common Stock or of Class B Common Stock are granted rights to elect to receive one of two or more alternative forms of Merger Consideration the foregoing sentence shall be deemed satisfied if holders of Class A Common Stock and holders of Class B Common Stock are granted substantially identical election rights.

7. No Adverse Effect. With respect to any proposed amendment of this Restated Certificate of Incorporation which would alter or change the powers, preferences or special rights of the shares of Class A Common Stock or Class B Common Stock, so as to affect them adversely relative to the other class of Common Stock, the approval of a majority of the votes entitled to be cast by the holders of the outstanding shares of the class affected by the proposed amendment, voting separately as a class, shall be obtained in addition to the approval of a majority of the votes entitled to be cast by the holders of the outstanding shares of Class A Common Stock and Class B Common Stock voting

together as a single class as provided herein. The affirmative vote of shares representing a majority of the votes entitled to be cast by the holders of outstanding shares of each class of Common Stock, voting separately by class, shall be required to adopt any provision inconsistent with or repeal any provision of, or alter or amend this paragraph 7. The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

8. Conversion of Class B Common Stock.

(a) Voluntary Conversion. Upon the written request of any holder of shares of Class B Common Stock, any shares of Class B Common Stock that such holder so specifies shall automatically convert on a share for share basis into the same number of shares of Class A Common Stock.

(b) Mandatory Conversion. Shares of Class B Common Stock shall be converted into shares of Class A Common Stock at the times and in the amounts set forth in subparagraphs (i) and (ii) of this subparagraph (b) (each an "Event of Conversion").
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(i) Upon any transfer, sale or other disposition (including without limitation, by operation of law), whether directly or indirectly, of record ownership (a "Transfer") of shares of Class B Common Stock, whether or not for value, by any holder, other than any Transfer by such holder to a Permitted Class B Holder (as defined below), the shares of Class B Common Stock Transferred shall automatically be converted into shares of Class A Common Stock on a share for share basis without further action by the holders of Common Stock. For purposes hereof, the term "Permitted Class B Holder" shall mean (A) RCBA Strategic Partners, L.P., (B) any record holder of Class B Common Stock at the effective time of the merger of BLUM CB Corp. with and into CB Richard Ellis Services, Inc. pursuant to the Amended and Restated Merger Agreement, dated as of May 31, 2001, among the Corporation, BLUM CB Corp. and CB Richard Ellis Services, Inc., as such agreement may be further amended or restated, and (C) any single person or entity to whom a Permitted Holder specified in clause (A) or (B) of this definition Transfers shares of Class B Common Stock, provided that (x) at or prior to the time of such Transfer the transferee designates such person or entity to be a Permitted Class B Holder in a written notice delivered to the Corporation and (y) immediately following such Transfer the transferee no longer holds any shares of Class B Common Stock, provided, further that effective upon the Transfer of Class B Common Stock to such newly designated Class B Permitted Holder the transferee shall automatically cease to be a Permitted Class B Holder. The Corporation will at all times maintain in its stock register a list of Permitted Class B Holders.

(ii) Upon the completion of an underwritten public offering of Common Stock pursuant to which the Corporation becomes listed on a national securities exchange or on the NASDAQ Stock Market all outstanding shares of Class B Common Stock shall automatically be converted into shares of Class A Common Stock on a share for share basis without further action by the holders of Common Stock.

(c) Class B Conversion Procedure. Any conversion pursuant to this paragraph 8 shall be deemed to have been effected at the time (i) the holder of Class B Common Stock requests such conversion in accordance with subsection (a) of this paragraph 8 or (ii) the Event of Conversion referred to in subsection (b) of this paragraph 8 occurred, as the case may be (the "Class B Conversion Time"). At the Class B Conversion Time, the certificate or certificates that
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represented immediately prior thereto the shares of Class B Common Stock which were so converted (the "Converted Class B Common Stock") shall, automatically and without further action, represent on a share for share basis the same number of shares of Class A Common Stock. Holders of Converted Class B Common Stock shall deliver their certificates, duly endorsed in blank or accompanied by

proper instruments of transfer, to the principal office of the Corporation or the office of any transfer agent for shares of Class A Common Stock together with a written notice setting out the name or names (with addresses) and denominations in which the certificate or certificates representing such shares of Class A Common Stock are to be issued and including instructions for delivery thereof. Upon such delivery, the Corporation or its transfer agent shall promptly issue and deliver at such stated address to such holder of shares of Class A Common Stock a certificate or certificates representing the number of shares of Class A Common Stock into which the Converted Class B Common Stock was so converted and shall cause such shares of Class A Common Stock to be registered in the name of such holder. The Corporation will issue certificates for the balance of the shares of Class B Common Stock in any case in which fewer than all of the shares of Class B Common Stock represented by a certificate are converted. The Person entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class A Common Stock and will have all the rights of record holders of shares of Class A Common Stock at and as of the Class B Conversion Time, and the rights of such Person as a holder of shares of Class B Common Stock that have been converted shall cease and terminate at and as of the Class B Conversion Time, in each case without regard to any failure by such holder to deliver the certificates or the notice required by this paragraph 8; provided, however, that such Person shall be entitled to receive, when paid, any dividends declared on the Class B Common Stock as of a record date preceding the Class B Conversion Time and unpaid as of the Class B Conversion Time so long as such Person was the record holder when such dividends were declared. For purposes of this Restated Certificate of Incorporation, "Person" shall mean an individual or a corporation, association, partnership, limited liability company, joint venture, organization, business, trust or any other entity or organization, including a government or any subdivision or agency thereof.

(d) Payment of Transfer Taxes. The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Class A Common Stock on conversion of Class B Common Stock pursuant hereto; provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Class A Common Stock in a name other than that of the registered holder of the Class B Common Stock to be converted and no such issue or delivery shall be made unless and until the Person requesting such issue or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not applicable.

(e) Reservation of Class A Common Stock. The Corporation shall at all times reserve and keep available, out of its authorized and unissued shares of Class A Common Stock, for the purposes of effecting conversions, such number of duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock. All the shares of Class A Common Stock so issuable shall, when so issued, be duly and validly issued, fully paid and non-assessable, and free from liens and charges with respect to such issuance.

9. Conversion of Class A Common Stock by Class B Holders.

(a) Voluntary Conversion of Class A Stock. So long as shares of Class B Common Stock are outstanding, in the event a holder of Class B Common Stock purchases, holds or otherwise acquires any shares of Class A Common Stock, such holder of Class B Common Stock may at any time thereafter request that such shares of Class A Common Stock convert on a share for share basis into the same number of shares of Class B Common Stock.

(b) Class A Conversion Procedure. So long as shares of Class B Common Stock are outstanding, any conversion pursuant to this paragraph 9 shall be deemed to have been effected at the time the holder of Class B Common Stock requests such conversion in accordance with subsection (a) of this paragraph 9 (the "Class A Conversion Time"). At the Class A Conversion Time, the certificate or certificates that represented immediately prior thereto the shares of Class A Common Stock which were so converted (the "Converted Class A Common Stock") shall, automatically and without further action, represent on a share for share basis the same number of shares of Class B Common Stock. Holders of Converted Class A Common Stock shall deliver their certificates, duly endorsed in blank or accompanied by proper instruments of transfer, to the principal office of the Corporation or the office of any transfer agent for shares of Class B Common Stock, together with a written notice setting out the name or names (with addresses) and denominations in which the certificate or certificates representing such shares of Class B Common Stock are to be issued and including instructions for delivery thereof. Upon such delivery, the Corporation or its transfer agent shall promptly issue and deliver at such stated address to such holder of shares of Class B Common Stock a certificate or certificates representing the number of shares of Class B Common Stock into which the Converted Class A Common Stock was so converted and shall cause such shares of Class B Common Stock to be registered in the name of such holder. The Person

entitled to receive the shares of Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class B Common Stock and will have all the rights of record holders of shares of Class B Common Stock at and as of the Class A Conversion Time, and the rights of such Person as a holder of shares of Class A Common Stock that have been converted shall cease and terminate at and as of the Class A Conversion Time, in each case without regard to any failure by such holder to deliver the certificates or the notice required by this paragraph 9; provided, however, that such Person shall be entitled to receive when paid any dividends declared on the Class A Common Stock as of a record date preceding the Class A Conversion Time and unpaid as of the Class A Conversion Time, so long as such Person was the record holder when such dividends were declared.

(c) Payment of Transfer Taxes. The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Class B Common Stock on conversion of Class A Common Stock pursuant hereto; provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Class B Common Stock in a name other than that of the registered holder of the Class A Common Stock to be converted and no such issue or delivery shall be made unless and until the Person requesting such issue or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not applicable.

(d) Reservation of Class B Common Stock. So long as shares of Class B Common Stock are outstanding, the Corporation shall at all times reserve and keep available, out of its authorized and unissued shares of Class B Common Stock, for the purposes of effecting conversions, such number of duly authorized shares of Class B Common Stock as shall from time to time be sufficient to effect all possible conversions of Class A Common Stock to Class B Common Stock.

FIFTH: Pursuant to Section 242 of the General Corporation Law of the State of Delaware, each share of capital stock of the Corporation outstanding as of this date is hereby reclassified and converted by operation of law into one share of Class B Common Stock.

SIXTH:

1. To the fullest extent permitted by the laws of the State of Delaware:

(a) The Corporation shall indemnify any person (and such person's heirs, executors or administrators) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or such heirs, executors or administrators in connection with such action, suit or proceeding, including appeals. Notwithstanding the preceding sentence, the Corporation shall be required to indemnify a person described in such sentence in connection with any action, suit or proceeding (or part thereof) commenced by such person only if the commencement of such action, suit or proceeding (or part thereof) by such person was authorized by the Board of Directors of the Corporation. The Corporation may indemnify any person (and such person's heirs, executors or administrators) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, by reason of the fact that such person is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or such heirs, executors or administrators in connection with such action, suit or proceeding, including appeals.

(b) The Corporation shall promptly pay expenses incurred by any person described in the first sentence of subsection (a) of this Article SIXTH, Section 1 in defending any action, suit or proceeding in advance of the final disposition of such action, suit or proceeding, including appeals, upon presentation of appropriate documentation.

(c) The Corporation may purchase and maintain insurance on

behalf of any person described in subsection (a) of this Article SIXTH, Section 1 against any liability asserted against such person, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article SIXTH, Section 1 or otherwise.

(d) The provisions of this Article SIXTH, Section 1 shall be applicable to all actions, claims, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Article SIXTH, Section 1 shall be deemed to be a contract between the Corporation and each director, officer, employee or agent who serves in such capacity at any time while this Article SIXTH, Section 1 and the relevant provisions of the laws of the State of Delaware and other applicable law, if any, are in effect, and any repeal or modification hereof shall not affect any rights or obligations then existing with respect to any state of facts or any action, suit or proceeding then or theretofore existing, or any action, suit or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. If any provision of this Article SIXTH, Section 1 shall be found to be invalid or limited in application by reason of any law or regulation, it shall not affect the validity of the remaining provisions hereof. The rights of indemnification provided in this Article SIXTH, Section 1 shall neither be exclusive of, nor be deemed in limitation of, any rights to which an officer, director, employee or agent may otherwise be entitled or permitted by contract, this Certificate of Incorporation, vote of stockholders or directors or otherwise, or as a matter of law, both as to actions in such person's official capacity and actions in any other capacity while holding such office, it being the policy of the Corporation that indemnification of any person whom the Corporation is obligated to indemnify pursuant to the first sentence of subsection (a) of this Article SIXTH, Section 1 shall be made to the fullest extent permitted by law.

(e) For purposes of this Article SIXTH, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

2. A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

SEVENTH: The Board of Directors of the Corporation, acting by majority vote, may alter, amend or repeal the By-Laws of the Corporation.

EIGHTH: The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended.

4. In lieu of a meeting and vote of the stockholders, the stockholders have given written consent to such restatement of the Certificate of Incorporation of the Corporation in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned has signed this Restated Certificate of Incorporation on June 7, 2001.

/s/ Claus J. Moller

Claus J. Moller
President

Exhibit 3.3

BLUM CB HOLDING CORP.

BYLAWS

ARTICLE I

MEETING OF STOCKHOLDERS

Section 1. Place of Meeting and Notice. Meetings of the stockholders of the Corporation shall be held at such place either within or without the State of Delaware as the Board of Directors may determine.

Section 2. Annual and Special Meetings. Annual meetings of stockholders shall be held, at a date, time and place fixed by the Board of Directors and stated in the notice of meeting, to elect a Board of Directors and to transact such other business as may properly come before the meeting. Special meetings of the stockholders may be called by the President or any Vice President for any purpose and shall be called by the President or Secretary if directed by the Board of Directors or requested in writing by the holders of not less than 30% of the capital stock of the Corporation. Each such stockholder request shall state the purpose of the proposed meeting.

Section 3. Notice. Except as otherwise provided by law, at least ten and not more than 60 days before each meeting of stockholders, written notice of the time, date and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder.

Section 4. Quorum. At any meeting of stockholders, the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

Section 5. Voting. Except as otherwise provided by law, all matters submitted to a meeting of stockholders shall be decided by vote of the holders of record of a majority of the Corporation's issued and outstanding capital stock present in person or by proxy.

ARTICLE II

DIRECTORS

Section 1. Number, Election and Removal of Directors. The number of Directors that shall constitute the Board of Directors shall be not more than 10. The first Board of Directors shall consist of one Director. Thereafter, within the limits specified above, the number of Directors shall be determined by the Board of Directors or by the stockholders. The Directors shall be elected by the stockholders at their annual meeting. Vacancies and newly created directorships resulting from any increase in the number of Directors may be filled by a majority of the Directors then in office, although less than a quorum, or by the sole remaining Director or by the stockholders. A Director may be removed with or without cause by the stockholders.

Section 2. Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may from time to time be fixed by the Board of Directors or as may be specified in a notice of meeting. Special meetings of the Board of Directors may be held at any time upon the call of the President and shall be called by the President or Secretary if directed by at least one-third of the Directors. Telegraphic or written notice of each special meeting of the Board of Directors shall be sent to each Director not less than two days before such meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of the stockholders. Notice need not be given of regular meetings of the Board of Directors.

Section 3. Quorum. One-half of the total number of Directors

shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such a quorum is present. Except as otherwise provided by law, the Certificate of Incorporation of the Corporation, these By-Laws or any contract or agreement to which the Corporation is a party, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 4. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees, including without limitation an Executive Committee, to have and exercise such power and authority as the Board of Directors shall specify. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member.

ARTICLE III

OFFICERS

The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other additional officers with such titles as the Board of Directors shall determine, all of whom shall be chosen by and shall serve at the pleasure of the Board of Directors. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. All officers shall be subject to the supervision and direction of the Board of Directors. The authority, duties or responsibilities of any officer of the Corporation may be suspended by the President with or without cause. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE IV

INDEMNIFICATION

To the fullest extent permitted by the Delaware General Corporation Law, the Corporation shall indemnify any current or former Director or officer of the Corporation and may, at the discretion of the Board of Directors, indemnify any current or former employee or agent of the Corporation against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding brought by or in the right of the Corporation or otherwise, to which he was or is a party or is threatened to be made a party by reason of his current or former position with the Corporation or by reason of the fact that he is or was serving, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notices. Whenever any statute, the Certificate of Incorporation or these By-Laws require notice to be given to any Director or stockholder, such notice may be given in writing by mail, addressed to such Director or stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. Such notice shall be deemed to have been given when it is deposited in the United States mail. Notice to Directors may also be given by telegram.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

Exhibit 3.4

RESTATED BYLAWS

of

CBRE HOLDING, INC.

ARTICLE I

MEETING OF STOCKHOLDERS

Section 1. Place of Meeting and Notice. Meetings of the stockholders of the Corporation shall be held at such place either within or without the State of Delaware as the Board of Directors may determine.

Section 2. Annual and Special Meetings. Annual meetings of stockholders shall be held, at a date, time and place fixed by the Board of Directors and stated in the notice of meeting, to elect a Board of Directors and to transact such other business as may properly come before the meeting. Special meetings of the stockholders may be called by the President or any Vice President for any purpose and shall be called by the President or Secretary if directed by the Board of Directors or requested in writing by the holders of not less than 30% of the capital stock of the Corporation. Each such stockholder request shall state the purpose of the proposed meeting.

Section 3. Notice. Except as otherwise provided by law, at least ten and not more than 60 days before each meeting of stockholders, written notice of the time, date and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder.

Section 4. Quorum. At any meeting of stockholders, the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

Section 5. Voting. Except as otherwise provided by law, all matters submitted to a meeting of stockholders shall be decided by vote of the holders of record of a majority of the Corporation's issued and outstanding capital stock present in person or by proxy.

ARTICLE II

DIRECTORS

Section 1. Number, Election and Removal of Directors. The number of Directors that shall constitute the Board of Directors shall be not more than 11. The first Board of Directors shall consist of one Director. Thereafter, within the limits specified above, the number of Directors shall be determined by the Board of Directors or by the stockholders. The Directors shall be elected by the stockholders at their annual meeting. Vacancies and newly created directorships resulting from any increase in the number of Directors may be filled by a majority of the Directors then in office, although less than a quorum, or by the sole remaining Director or by the stockholders. A Director may be removed with or without cause by the stockholders.

Section 2. Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may from time to time be fixed by the Board of Directors or as may be specified in a notice of meeting. Special meetings of the Board of Directors may be held at any time upon the call of the President and shall be called by the President or Secretary if directed by at least one-third of the Directors. Telegraphic or written notice of each special meeting of the Board of Directors shall be sent to each Director not less than two days before such meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of the stockholders. Notice need not

be given of regular meetings of the Board of Directors.

Section 3. Quorum. One-half of the total number of Directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such a quorum is present. Except as otherwise provided by law, the Certificate of Incorporation of the Corporation, these By-Laws or any contract or agreement to which the Corporation is a party, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 4. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees, including without limitation an Executive Committee, to have and exercise such power and authority as the Board of Directors shall specify. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member.

ARTICLE III

OFFICERS

The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other additional officers with such titles as the Board of Directors shall determine, all of whom shall be chosen by and shall serve at the pleasure of the Board of Directors. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. All officers shall be subject to the supervision and direction of the Board of Directors. The authority, duties or responsibilities of any officer of the Corporation may be suspended by the President with or without cause. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE IV

INDEMNIFICATION

To the fullest extent permitted by the Delaware General Corporation Law, the Corporation shall indemnify any current or former Director or officer of the Corporation and may, at the discretion of the Board of Directors, indemnify any current or former employee or agent of the Corporation against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding brought by or in the right of the Corporation or otherwise, to which he was or is a party or is threatened to be made a party by reason of his current or former position with the Corporation or by reason of the fact that he is or was serving, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE V

COMPANY RIGHT OF REPURCHASE

Section 1. Right of Repurchase. If a Designated Manager's employment with the Corporation and its Subsidiaries is terminated for any reason (including as a result of the death or disability of the Designated Manager), the Designated Manager shall be required to offer his or her Shares Subject to Repurchase for sale to the Corporation and accordingly the Corporation or its designated assignee shall have the option to purchase all or any portion (at the Corporation's option) of the Shares Subject to Repurchase held by the Designated Manager and the Designated Manager's Permitted Transferees by providing written notice of the election (including the number of Shares Subject to Repurchase to be purchased, the identity of the Designated Manager, the purchase price for the Shares Subject to Repurchase as determined pursuant to Section 2 of this ARTICLE V and, if applicable, the net purchase price for the Shares Subject to

Repurchase to be paid to the Designated Manager pursuant to Section 3 of this

ARTICLE V) to the Designated Manager and the Permitted Transferees (a "Repurchase Notice") no later than 180 days after termination of Designated Manager's employment with the Corporation and its Subsidiaries.

Section 2. Repurchase Price. If the Designated Manager's employment with the Corporation and its Subsidiaries is terminated by the applicable employer for Cause or the Designated Manager's employment with the Corporation and its Subsidiaries is voluntarily terminated by the Designated Manager other than for Good Reason, then the purchase price per share for the Shares Subject to Repurchase pursuant to Section 1 of this ARTICLE V will be the lower of Cost and Fair Market Value on the date of the Designated Manager's termination of employment. If the Designated Manager's employment with the Corporation and its Subsidiaries is terminated for any reason other than under circumstances in which the immediately preceding sentence applies, then the purchase price per share for the Shares Subject to Repurchase pursuant to Section 1 of this ARTICLE V will be the Fair Market Value on the date of Designated Manager's termination of employment. The purchase price determined pursuant to this Section 2 of ARTICLE V is referred to as the "Repurchase Price."

Section 3. Completion of Repurchase. The completion of the purchase pursuant to Section 1 of this ARTICLE V shall take place at the principal office of the Corporation on or prior to the thirtieth (30th) day after the giving of the Repurchase Notice. The Repurchase Price for the Shares Subject to Repurchase shall be paid by delivery to the Designated Manager or Permitted Transferee of a certified bank check or checks in the appropriate amount payable to the order of the Designated Manager or Permitted Transferee; provided, however that, if the Designated Manager previously has executed and delivered a Note to the Corporation, such repurchase price shall be net of the concurrent prepayment to the Corporation of the aggregate accrued and unpaid interest and unpaid principal thereon pursuant to the terms of such Note.

Section 4. Limitation Upon Modifications. The provisions of this ARTICLE V shall be deemed to be a contract between the Corporation and each Designated Manager while this Article FIFTH is in effect, and any repeal or modification hereof shall not affect any rights or obligations then existing with respect to such Designated Manager without the prior consent of such Designated Manager.

Section 5. Related Definitions. The following defined terms apply to this ARTICLE V of these By-Laws:

(a) "Applicable Percentage" means (i) for the period from the closing date of the Offerings (the "Closing Date") through the day immediately preceding the first anniversary of the Closing Date, 100%, (ii) for the period from the first anniversary of the Closing Date through the date immediately preceding the second anniversary of the Closing Date, 80%, (iii) for the period from the second anniversary of the Closing Date through the day immediately preceding the third anniversary of the Closing Date, 60%, (iv) for the period from the third anniversary of the Closing Date through the day immediately preceding the fourth anniversary of the Closing Date, 40%, (v) for the period from the fourth anniversary of the Closing Date through the day immediately preceding the fifth anniversary of the Closing Date, 20%, and (v) on and after the fifth anniversary of the Closing Date, 0%; provided, however that, in the event that the Designated Manager's employment with, or engagement by, the Company and its Subsidiaries ends on a particular date for any reason, then the Applicable Percentage in effect on such date pursuant to the foregoing clauses (i) through (v) shall be the Applicable Percentage at all times thereafter.

(b) "Cause" means (i) the willful failure of the Designated Manager to perform his or her duties to the Corporation or its Subsidiaries which is not cured within 10 days following written notice, (ii) the conviction of the Designated Manager of a felony, (iii) willful malfeasance or misconduct by the Designated Manager that is materially and demonstrably injurious to the Corporation or its Subsidiaries, or (iv) the breach by the Designated Manager of the material terms of the Note, the Pledge Agreement or the Designated Manager Subscription Agreement, including, without limitation, Section 2.1, 3.1, 3.2 and 3.3 thereto.

(c) "Class A Common Stock" means the Class A common stock, par value $.01 per share, of the Corporation.

(d) "Cost" means the purchase price per share of Class A Common Stock paid by the applicable Designated Manager determined by dividing (x) the total purchase price paid by such Designated Manager on the date of purchase of such share by (y) the number of shares of Class A Common Stock purchased by such Designated Manager on such date, as adjusted by the Board of Directors of the Corporation in good faith and on a consistent basis to reflect any stock splits, stock dividends, recapitalizations and other similar transactions.

(e) "Designated Manager" means any employee of the Corporation and its Subsidiaries who on April 1, 2001 was designated by the Board of Directors of the Corporation as a "Designated Manager" and was notified by the Corporation on April 24, 2001 of his or her designation and who is employed by the Corporation as of the completion of the merger (the "Merger") contemplated by the Amended and Restated Agreement and Plan of Merger, dated as of May 31, 2001, by and among CB Richard Ellis Services, Inc., the Corporation and BLUM CB Corp., as such agreement shall thereafter be amended or restated.

(f) "Designated Manager Subscription Agreement" means the form of subscription agreement entered into by any Designated Manager in connection with the offerings (the "Offerings") made by the Corporation pursuant to the Registration Statement on Form S-1 of the Corporation, first filed on April 24, 2001.

(g) "Fair Market Value" means, as of any date of determination, with respect to shares of Class A Common Stock, (x) prior to a Qualified Initial Public Offering, the fair market value of the shares, disregarding any discount for minority interest, restrictions on transfer of the shares or lack of marketability of the shares, as determined in good faith by the Board of Directors of the Corporation, and (y) subsequent to a Qualified Initial Public Offering, the price per share of Class A Common Stock equal to the average of the last sales price of a share of Class A Common Stock on each of the

last five trading days prior to the date of determination (the "FMV Calculation Period") on the principal national securities exchange on which the Class A Common Stock may at the time be listed or, if there shall have been no sales on such principal national securities exchange during the FMV Calculation Period, the average of the closing bid and asked prices on such principal national securities exchange on each day during the FMV Calculation Period or, if there are no such bid and asked prices during the FMV Calculation Period, on the next preceding five dates on which such bid and asked prices occurred or, if Class A Common Stock shall not be so listed, the average of the closing sales prices as reported by NASDAQ during the FMV Calculation Period in the over-the-counter market.

(h) "Good Reason" means (i) a substantial diminution in the Designated Manager's position or duties with the Corporation or its Subsidiaries, an adverse change in the reporting lines of the Designated Manager, or the assignment to the Designated Manager by the Corporation or its Subsidiaries of duties materially inconsistent with his or her position with the Corporation or its Subsidiaries, (ii) any reduction in the Designated Manager's base salary or any material adverse change in the Designated Manager's bonus opportunity or (iii) the failure of the Corporation or its Subsidiaries to pay the Designated Manager's compensation or benefits when due; in each of the foregoing clauses (i) through (iii), which is not cured within 30 days following the Corporation's receipt of written notice from the Designated Manager describing the event that would constitute Good Reason if not cured within such period.

(i) "Minimum Number of Shares" means the minimum number of shares of Class A Common Stock for direct ownership that the Designated Manager must subscribe for in the Offerings to be eligible to receive a grant of Options in connection with the Offerings.

(j) "Note" means any full-recourse note delivered by a

Designated Manager to the Corporation in connection with the Offerings.

(k) "Options" means any options to acquire Class A Common Stock, including without limitation, all options granted under the CBRE Holding, Inc. 2001 Stock Incentive Plan.

(l) "Pledge Agreement" means the pledge agreement executed and delivered to the Corporation by any Designated Manager that delivered a Note to the Corporation in connection with the Offerings.

(m) "Qualified Initial Public Offering" means an underwritten offering of Class A Common Stock to the public pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, after the effective time of the Merger pursuant to which the Class A Common Stock becomes listed on a national securities exchange or on the NASDAQ.

(k) "Shares Subject to Repurchase" means at any time, the Minimum Number of Shares applicable to the Designated Manager (as adjusted in good faith and on

a consistent basis by the Board of Directors of the Corporation to reflect any stock splits, stock dividends, recapitalizations and other similar corporate transactions) times the Applicable Percentage.

(l) "Subsidiary" means, with respect to any person or entity, any corporation, partnership, association or other business entity of which fifty percent (50%) or more of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, or fifty percent (50%) or more of the equity interest therein, is at the time owned or controlled, directly or indirectly, by any person or entity or one or more of the other Subsidiaries of such person or entity or a combination thereof.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Notices. Whenever any statute, the Certificate of Incorporation or these By-Laws require notice to be given to any Director or stockholder, such notice may be given in writing by mail, addressed to such Director or stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. Such notice shall be deemed to have been given when it is deposited in the United States mail. Notice to Directors may also be given by telegram.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

BLUM CB HOLDING CORP.

BYLAWS

ARTICLE I

MEETING OF STOCKHOLDERS

Section 1. Place of Meeting and Notice. Meetings of the stockholders of the Corporation shall be held at such place either within or without the State of Delaware as the Board of Directors may determine.

Section 2. Annual and Special Meetings. Annual meetings of stockholders shall be held, at a date, time and place fixed by the Board of Directors and stated in the notice of meeting, to elect a Board of Directors and to transact such other business as may properly come before the meeting. Special meetings of the stockholders may be called by the President or any Vice President for any purpose and shall be called by the President or Secretary if

directed by the Board of Directors or requested in writing by the holders of not less than 30% of the capital stock of the Corporation. Each such stockholder request shall state the purpose of the proposed meeting.

Section 3. Notice. Except as otherwise provided by law, at least ten and not more than 60 days before each meeting of stockholders, written notice of the time, date and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder.

Section 4. Quorum. At any meeting of stockholders, the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

Section 5. Voting. Except as otherwise provided by law, all matters submitted to a meeting of stockholders shall be decided by vote of the holders of record of a majority of the Corporation's issued and outstanding capital stock present in person or by proxy.

ARTICLE II

DIRECTORS

Section 1. Number, Election and Removal of Directors. The number of Directors that shall constitute the Board of Directors shall be not more than 10. The first Board of Directors shall consist of one Director. Thereafter, within the limits specified above, the number of Directors shall be determined by the Board of Directors or by the stockholders. The Directors shall be elected by the stockholders at their annual meeting. Vacancies and newly created directorships resulting from any increase in the number of Directors may be filled by a majority of the Directors then in office, although less than a quorum, or by the sole remaining Director or by the stockholders. A Director may be removed with or without cause by the stockholders.

Section 2. Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may from time to time be fixed by the Board of Directors or as may be specified in a notice of meeting. Special meetings of the Board of Directors may be held at any time upon the call of the President and shall be called by the President or Secretary if directed by at least one-third of the Directors. Telegraphic or written notice of each special meeting of the Board of Directors shall be sent to each Director not less than two days before such meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of the stockholders. Notice need not be given of regular meetings of the Board of Directors.

Section 3. Quorum. One-half of the total number of Directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such a quorum is present. Except as otherwise provided by law, the Certificate of Incorporation of the Corporation, these By-Laws or any contract or agreement to which the Corporation is a party, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 4. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees, including without limitation an Executive Committee, to have and exercise such power and authority as the Board of Directors shall specify. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member.

ARTICLE III

OFFICERS

The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other additional officers with such titles as the Board of Directors shall determine, all of whom shall be chosen by and shall serve at the pleasure of the Board of Directors. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. All officers shall be subject to the supervision and direction of the Board of Directors. The authority, duties or responsibilities of any officer of the Corporation may be suspended by the President with or without cause. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE IV

INDEMNIFICATION

To the fullest extent permitted by the Delaware General Corporation Law, the Corporation shall indemnify any current or former Director or officer of the Corporation and may, at the discretion of the Board of Directors, indemnify any current or former employee or agent of the Corporation against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding brought by or in the right of the Corporation or otherwise, to which he was or is a party or is threatened to be made a party by reason of his current or former position with the Corporation or by reason of the fact that he is or was serving, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notices. Whenever any statute, the Certificate of Incorporation or these By-Laws require notice to be given to any Director or stockholder, such notice may be given in writing by mail, addressed to such Director or stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. Such notice shall be deemed to have been given when it is deposited in the United States mail. Notice to Directors may also be given by telegram.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

Exhibit 4.1

State of Delaware

NUMBER SHARES

A-0 [PICTURE]

CBRE Holding, Inc.
Class A Common Stock
(par value $.01 per share)

This Certifies that SPECIMEN is the owner of

_____fully paid and non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its authorized officers and to be sealed with the Seal of the Corporation.

Dated_____

_____ _____
Secretary President

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SUBSCRIPTION AGREEMENT BETWEEN CBRE HOLDING, INC. AND THE PURCHASER (AS DEFINED IN THE SUBSCRIPTION AGREEMENT), A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT, INCLUDING RESTRICTIONS RELATING TO TRANSFER OF THE SECURITIES.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations. Additional abbreviations may also be used though not in the list.

<TABLE>
<S> <C>
TEN COM --as tenants in common UNIF GIFT MIN ACT ----------Custodian----------
--(Minor)
TEN ENT --as tenants by the entireties under Uniform Gifts to Minors Act----------
--(State)
JT TEN --as joint tenants with right to survivorship
and not as tenants in common

PLEASE INSERT SOCIAL SECURITY OR
OTHER
IDENTIFYING NUMBER OF ASSIGNEE

For value received, the undersigned hereby sells, assigns and transfers unto

- ---

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

- ---
Shares

represented by the within Certificate, and hereby irrevocably constitutes and appoints----------

- ----------Attorney to transfer the said
shares on the books of the within-named Corporation with full power of substitution in the premises.

Dated----------
In presence of

_____

_____
</TABLE>

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

Exhibit 4.2(b)

FORM OF

SECURITYHOLDERS' AGREEMENT

among

RCBA STRATEGIC PARTNERS, L.P.,

BLUM STRATEGIC PARTNERS, L.P.

FS EQUITY PARTNERS III, L.P.,

FS EQUITY PARTNERS INTERNATIONAL, L.P.,

THE KOLL HOLDING COMPANY,

FREDERIC V. MALEK,

DLJ INVESTMENT FUNDING, INC.,

[OTHER NOTE INVESTORS]

THE MANAGEMENT INVESTORS,

CB RICHARD ELLIS SERVICES, INC.,

and

CBRE HOLDING, INC.

Dated as of July [20], 2001

<TABLE>
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3

SECURITYHOLDERS' AGREEMENT, dated as of July [20], 2001 (this "Agreement"), among (i) CB Richard Ellis Services, a Delaware corporation ("CBRE") and CBRE Holding, Inc. (the "Company"), (ii) RCBA Strategic Partners, L.P., a Delaware limited partnership (together with its successors, "BLUM"), (iii) Blum Strategic Partners, L.P., a Delaware limited partnership and Affiliate (as defined below) of BLUM (together with its successors, "Blum Strategic" and collectively with BLUM, the "BLUM Funds"), (iv) FS Equity Partners III, L.P., a Delaware limited partnership ("FSEP"), and FS Equity Partners International, L.P., a Delaware limited partnership ("FSEP International," and together with FSEP and their respective successors, the "FS Entities"), (v) DLJ Investment Funding, Inc. ("DLJ") and [OTHER NOTE PURCHASERS TO COME] (together with DLJ, the "Note Investors"), (vi) The Koll Holding Company, a California corporation (together with its successors, "Koll"), Frederic V. Malek ("Malek", and together with Koll, the "Other Non-Management Investors"), and (vii) the individuals identified on the signature pages hereto as "Management Investors" (together, the "Management Investors"; collectively with the FS Entities, the Note Investors and the Other Non-Management Investors, the "Non-BLUM Investors").

RECITALS:

A. CBRE, the Company and BLUM CB Corp., a Delaware Corporation ("Newco"), are parties to an Amended and Restated Agreement and Plan of Merger, dated as of May 31, 2001 (the "Merger Agreement"), pursuant to which, among other things, Newco merged with and into CBRE on the date hereof (the "Merger") and CBRE became a wholly-owned subsidiary of the Company;

B. As a result of the Merger, on the date hereof, BLUM is the largest holder of the outstanding shares of Common Stock (as defined below) and the Non-BLUM Investors also hold outstanding shares of the Common Stock; and

C. The parties hereto wish to provide for certain matters relating to their respective holdings of the Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

I INTRODUCTORY MATTERS

1.1. Defined Terms.

The following terms have the following meanings when used herein with initial capital letters:

"Advisory Services" has the meaning set forth in Section 4.4.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly controls, is controlled by or is under common control with, such Person. As used in this definition of "Affiliate" and the definition of "Subsidiary," "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the

direction of management or policies, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding anything to the contrary stated herein, the Company shall not be considered an Affiliate of any Securityholder.

"Agreement" means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Anti-Dilution Agreement" means the Anti-Dilution Agreement, dated as of July [20], 2001, among the Company and the Note Investors, as amended, supplemented or otherwise modified from time to time.

"Approved Sale" has the meaning set forth in Section 2.5(c).

"Assumption Agreement" means an agreement in the form attached hereto as Exhibit A whereby a transferee of Restricted Securities becomes a party to, and agrees to be bound by, the terms of this Agreement in the manner set forth in Section 6.5 hereto.

"BLUM" has the meaning set forth in the Preamble.

"BLUM Directors" has the meaning set forth in Section 4.1(c)(i).

"BLUM Funds" has the meaning set forth in the Preamble.

"BLUM Holder" means (i) BLUM, (ii) Blum Strategic and (iii) any Person to whom BLUM or Blum Strategic Transfers Registrable Securities (but only to the extent of the Registrable Securities acquired from BLUM or Blum Strategic) and, in the case of clause (iii), which Person becomes bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

"BLUM Sale" has the meaning set forth in Section 2.4(a).

"Board" means the Board of Directors of the Company.

"Bylaws" means the Bylaws of the Company as of the Closing, as the same may be amended from time to time.

"Cause" has the meaning set forth in Section 4.1(j).

"CBRE" has the meaning set forth in the Preamble.

"Certificate of Incorporation" means the Certificate of Incorporation of the Company as of the Closing, as the same may be amended from time to time.

"Claim Notice" has the meaning set forth in Section 5.4(b).

"Class A Common Stock" means Class A common stock, par value $.01 per

share, of the Company.

"Class B Common Stock" means Class B common stock, par value $.01 per share, of the Company.

"Class B Securityholder" means any Securityholder that beneficially owns shares of Class B Common Stock pursuant to the terms of the Certificate of Incorporation.

"Closing" means the Closing of the Merger.

"Common Stock" means Class A Common Stock and Class B Common Stock, collectively.

"Company" has the meaning set forth in the Preamble.

"Consolidated EBITDA" means, for any period, [the consolidated net income of the Company and its subsidiaries for such period as set forth in the consolidated financial statements of the Company, plus the following of the Company and its subsidiaries to the extent deducted in calculating such consolidated net income: (i) consolidated interest expense, (ii) consolidated income tax expense, (iii) consolidated depreciation expense and (iv) consolidated amortization expenses]. [Note: To the extent that the senior bank debt financing contains a different definition of Consolidated EBITDA, this definition will be conformed to that used in the senior bank debt financing.]

"Contribution Agreement" means that certain Amended and Restated Contribution and Voting Agreement, dated as May 31, 2001, among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., Wirta, White and the other investors who are signatories thereto.

"DLJ Investors" means (i) DLJ, (ii) any Person to whom DLJ Transfers Registrable Securities (but only to the extent of the Registrable Securities acquired from DLJ) and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

"Drag-Along Notice" has the meaning set forth in Section 2.5(b).

"Dragging Party" has the meaning set forth in Section 2.5(a).

"Equity Securities" means (i) any Common Stock or other equity security of the Company, (ii) any security convertible, with or without consideration, into Common Stock or any other equity security of the Company (including any option or other right to purchase or acquire such a convertible security) and (iii) any option, warrant or other right to purchase or acquire Common Stock or any other equity security of the Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"Fair Market Value" means (i) with respect to cash consideration, the total amount of such cash consideration in United States dollars, (ii) with respect to non-cash consideration consisting of publicly-traded securities, the average daily closing sales price of such securities for the ten consecutive trading days preceding the date of Fair Market Value of such securities is required to be determined hereunder (with the closing price for each day being the last reported sales price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case on the principal national securities exchange on which such securities are listed and admitted to trading, or, if not listed and admitted to trading on any such

exchange on the NASDAQ National Market System, or if not quoted on the NASDAQ National Market System, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Company for that purpose) and (iii) with respect to non-cash consideration not consisting of publicly-traded securities, such amount as is determined to be the fair market value of the non-cash consideration as of the date such Fair Market Value is required to be determined hereunder as determined in good faith by the Board.

For the purposes of Section 2.2(a), if the Transferring Securityholder or BLUM disputes in good faith the determination by the Board pursuant to the above clause (iii) of the Fair Market Value of the non-cash consideration to be paid for the Transfer Securities, then the Transferring Securityholder or BLUM, as applicable, may require that an investment bank selected by the Company and reasonably acceptable to the Transferring Securityholder and BLUM determine such Fair Market Value for the purposes of clause (iii).

For the purposes of Section 4.7(a)(ii), if the FS Director believes in good faith that the Fair Market Value, determined pursuant to the above clause (iii), of the consideration to be received for the assets of the Company or its Subsidiaries to be sold under that Section exceeds $75 million, then the FS Director may require that such Fair Market Value be determined by an independent investment bank selected by the Company and reasonably acceptable to the FS Director.

The Company shall pay the fees and expenses of the investment bank in making any Fair Market Value determination; provided, however that in the
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case of the second paragraph of this definition of "Fair Market Value", if the Transferring Securityholder does not have a good faith belief that the Fair Market Value of the non-cash consideration to be paid for the Transfer Securities, as determined pursuant to the above clause (iii), is greater than or equal to $5 million, then the fees and expenses of the investment bank in making any Fair Market Value determination at the request of such Transferring Securityholder under such circumstances shall be paid by such Transferring Securityholder.

"FS Director" has the meaning set forth in Section 4.1(c)(ii).

"FS Entities" has the meaning set forth in the Preamble.

"FS Holder" means (i) each of the FS Entities and (ii) any Person to
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whom either of the FS Entities Transfers Registrable Securities or Restricted Securities (but only to the extent of the Registrable Securities or Restricted Securities acquired from such FS Entity) and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement as a FS Party in the manner set forth in Section 6.5 hereto.

"FS Parties" means (i) each of the FS Entities and (ii) any Person to
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whom either of the FS Entities Transfers Restricted Securities and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

"FS Warrants" means (i) the warrants to acquire Common Stock acquired
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by the FS Entities pursuant to the Contribution Agreement and (ii) any shares of Common Stock received upon exercise of such warrants.

"Holder" means any Person owning of record Registrable Securities who
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(i) is a party to this Agreement on the date hereof or (ii) subsequently agrees in writing to be bound by the provisions of this Agreement in accordance with the terms of Section 6.5 of this Agreement.

"Indebtedness" means any indebtedness for borrowed money.

"Indemnified Party" has the meaning set forth in Section 5.4(b).

"Initiating Holder" means, with respect to any registration effected
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pursuant to Section 3.1, (i) the BLUM Holders in the event that the Holder or Holders from whom a notice is received pursuant to Section 3.1(a) that initiates such registration is a BLUM Holder, (ii) the FS Holders in the event that the Holder or Holders from whom a notice is received pursuant to Section 3.1(a) that initiates such registration is a FS Holder, and (iii)

the Note Investor Holders in the event that the Holder or Holders from whom a notice is received pursuant to Section 3.1(a) that initiates such registration is a Note Investor Holder.

"IPO" or "Initial Public Offering" means the completion of an underwritten Public Offering of Common Stock pursuant to which the Company becomes listed on a national securities exchange or on the NASDAQ Stock Market.

"Issuance" has the meaning set forth in Section 2.6(a).

"Legend" has the meaning set forth in Section 2.1(d).

"Losses" has the meaning set forth in Section 3.9(d).

"Losses and Expenses" has the meaning set forth in Section 5.4(a).

"Management Investors" has the meaning set forth in the Preamble.

"Management Parties" means (i) each of the Management Investors and (ii) any Person to whom any of the Management Investors Transfers Restricted Securities and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

"Material Securityholder" means BLUM, Blum Strategic, each of the FS Entities, each of the Note Investor Parties that holds at least 1% of the total outstanding Common Stock as of such date, DLJ so long as it and its affiliates, in the aggregate, hold at least 1% of the total outstanding Common Stock as of such date, Malek, Koll and any Securityholder who (as determined on a particular date) beneficially owns, together with its Affiliates, greater than 10% of the total outstanding Common Stock as of such date.

"Merger" has the meaning set forth in the Recitals.

"Merger Agreement" has the meaning set forth in the Recitals.

"Newco" has the meaning set forth in the Recitals.

"Non-BLUM Investors" has the meaning set forth in the Preamble.

"Non-BLUM Parties" means the FS Parties, the Note Investor Parties, the Other Non-Management Parties and the Management Parties, collectively.

"Notes" means the Company's 16.0% Senior Notes due July 20, 2011.

"Note Investor Holder" means (i) any Note Investor and (ii) any Person to whom any Note Investor Transfers Registrable Securities (but only to the extent of the Registrable Securities acquired from a Note Investor) and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement as an Investor Party in the manner set forth in Section 6.5 hereto.

"Note Investor Parties" means (i) any Note Investor and (ii) any Person to whom a Note Investor Transfers Restricted Securities and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

"Notice Period" has the meaning set forth in Section 5.4(b).

"Observer" has the meaning set forth in Section 4.3(a).

"Offer Price" has the meaning set forth in Section 2.2(a).

"Offer Notice" has the meaning set forth in Section 2.2(a).

"Other Holder" means any Holder other than a BLUM Holder, a FS Holder or a Note Investor Holder.

"Other Non-Management Investors" has the meaning set forth in the Preamble.

"Other Non-Management Parties" means (i) each of the Other Non-Management Investors and (ii) any Person to whom either of the Other Non-Management Investors Transfers Restricted Securities and, in the case of clause (ii), which Person becomes bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

"Ownership" means, with respect to any Person, all matters related to such Person's and such Person's Affiliates' (i) beneficial ownership of Restricted Securities, (ii) due authorization of a Transfer of such Restricted Securities, (iii) power to Transfer such Restricted Securities, and (iv) non-violation of agreements, laws, etc. relating to such Transfer of such Restricted Securities.

"Permitted Third Party Transfer Date" means the three year anniversary of the date hereof.

"Permitted Transferees" means any Person to whom Restricted Securities are Transferred by a Non-BLUM Party in a Transfer in accordance with Section 2.3 and not in violation of this Agreement and who is required to, and does, enter into an Assumption Agreement, and includes any Person to whom a Permitted Transferee of a Non-BLUM Party (or a Permitted Transferee of a Permitted Transferee) so further Transfers Restricted Securities and who is required to, and does, execute and deliver to the Company and BLUM an Assumption Agreement.

"Person" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other legal entity of any nature whatsoever.

"Proposed Transferee" has the meaning set forth in Section 2.4(a).

"Public Offering" means the sale of shares of any class of the Common Stock to the public pursuant to an effective registration statement (other than a registration statement on Form S-4 or S-8 or any similar or successor form) filed under the Securities Act in connection with an underwritten offering.

"Purchase Agreement" means that certain Purchase Agreement, dated as of the date hereof, between the Company and Credit Suisse First Boston Corporation, pursuant to which, among other things, the Company issued and sold to Credit Suisse First Boston Corporation, and Credit Suisse First Boston Corporation, purchased from the Company, the Notes.

"Purchase Price" means the Fair Market Value of the consideration paid by the Company or any of its Subsidiaries.

"Qualified Purchaser" means any Person to whom any Transferring Securityholder wishes to sell Restricted Securities pursuant to Section 2.2; provided that such Person (i) shall be acceptable to BLUM (such acceptance to be evidence in writing and to not be unreasonably withheld; it is understood that, if the proposed Qualified Purchaser is a nationally-recognized private equity sponsor or institutional equity investor, such consent will not be withheld unless BLUM's decision to withhold consent

results from BLUM's or any of its Affiliate's direct experience with such proposed Qualified Purchaser in connection with another actual or proposed transaction) and (ii) execute and deliver to the Company and BLUM an

Assumption Agreement.

"Registrable Securities" means any shares of Common Stock held by the Securityholders, including as a result of the exercise of options or warrants to acquire Common Stock. For purposes of this Agreement, any Registrable Securities held by any Person will cease to be Registrable Securities when (A) a registration statement covering such Registrable Securities has been declared effective and such Registrable Securities have been disposed of pursuant to such effective registration statement, (B) the registration rights of the holder of such Registrable Securities have terminated pursuant to Section 3.7 hereto, or (C) such Registrable Securities cease to be outstanding.

"Registration Expenses" means all expenses incident to performance of or compliance with Sections 3.1 and 3.2 hereof, including, without limitation, all registration and filing fees, printing, messenger and delivery expenses, fees and expenses of listing the Registrable Securities on any securities exchange, rating agency fees, fees and disbursements of counsel for the Company and of its independent public accountants, reasonable fees and disbursements of a single special counsel for the Holders selected in accordance with Section 3.5, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (including "cold comfort" letters), fees and disbursements of underwriters customarily paid by the issuers or sellers of securities (including liability insurance but excluding Selling Expenses), and other reasonable out-of-pocket expenses of Holders (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

"Related Party" has the meaning set forth in Section 5.3.

"Relevant Period" has the meaning set forth in Section 3.1(c)(iv).

"Restricted Period" means the period beginning on the date hereof and ending on the earlier of (i) the ten year anniversary of the date hereof and (ii) the date of the Initial Public Offering.

"Restricted Securities" has the meaning set forth in Section 2.1(a).

"Right" has the meaning set forth in Section 2.6(a).

"Rule 144" means Rule 144 of the Securities Act.

"SEC" or "Commission" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"Securityholder" means each of the holders of Common Stock or the FS Warrants who are parties to this Agreement or an Assumption Agreement.

"Selling Expenses" means all underwriting discounts and selling commissions and transfer taxes applicable to the sale.

"Subsidiary" means, with respect to any Person, any other Person (i) of which (or in which) such first Person beneficially owns, directly or indirectly, 50% or more of the outstanding capital stock or other equity interests having ordinary voting power to elect the Board of Directors or any equivalent body of such other Person or (ii) of which such first Person or its Subsidiary is a general partner, managing member or an equivalent.

"Tagging Securityholder" has the meaning set forth in Section 2.4(a).

"Third Party" has the meaning set forth in Section 2.4(a).

"Transfer" means a transfer, sale, assignment, pledge, hypothecation

or other disposition (including, without limitation, by operation of law), whether directly or indirectly pursuant to the creation of a derivative security, the grant of an option or other right.

"Transfer Offer" means the offer to sell the Transfer Securities owned by the Transferring Securityholder to BLUM or one or more of its assignees in accordance with Section 2.2(a).

"Transfer Period" has the meaning set forth in Section 2.2(c).

"Transfer Securities" has the meaning set forth in Section 2.2(a).

"Transferring Securityholder" has the meaning set forth in Section 2.2(a).

"Twelve-Month Normalized EBITDA" means, as of any date, the Consolidated EBITDA for the 12-month period ending on the last day of the most recent quarter for which consolidated financial statements of the Company have been filed with the SEC (or, if the Company is not then filing such statements with the SEC, the most recent quarter for which such statements are available); provided, however that such determination of Consolidated EBITDA shall be adjusted for such period to (i) include the pro forma effects for the entire period of any acquisitions or dispositions by the Company since the beginning of such period and (ii) disregard any extraordinary or similar one-time charges or revenues of the Company.

"Violation" has the meaning set forth in Section 3.9(a).

"White" means W. Brett White.

"Wirta" means Raymond E. Wirta.

1.2. Construction.

The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied

against any party. Unless the context otherwise requires: (a) "or" is disjunctive but not exclusive, (b) words in the singular include the plural, and in the plural include the singular, and (c) the words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section references are to this Agreement unless otherwise specified.

II TRANSFERS

2.1. Limitations on Transfer.

(a) Each Securityholder hereby agrees that it will not, directly or indirectly, Transfer any shares of Common Stock or FS Warrants (collectively, the "Restricted Securities") unless such Transfer complies with the provisions hereof and (i) such Transfer is pursuant to an effective registration statement under the Securities Act and has been registered under all applicable state securities or "blue sky" laws or (ii) (A) such Securityholder shall have furnished the Company with a written opinion of counsel in form and substance reasonably satisfactory to the Company to the effect that no such registration is required because of the availability of an exemption from registration under the Securities Act and (B) the Company shall be reasonably satisfied that no such registration is required because of the availability of exemptions from registration under all applicable state securities or "blue sky" laws.

(b) During the Restricted Period,

(i) each of the Non-BLUM Parties may not Transfer any Restricted Securities other than (x) pursuant to Sections 2.3, 2.4 or 2.5, and (y) with respect to the FS Parties, the Note Investor Parties and the Other Non-Management Parties only, Transfers after the Permitted Third Party Transfer Date to Persons other than a Permitted Transferee of the Securityholder making the Transfer (subject to prior compliance in full

with Section 2.2 and such Persons executing and delivering Assumption Agreements to the Company); and

(ii) BLUM and its Affiliates will not Transfer any Restricted Securities in a transaction subject to Section 2.4 unless Section 2.4 is complied with in full prior to such Transfer.

(c) In the event of any purported Transfer by any of the Securityholders of any Restricted Securities in violation of the provisions of this Agreement, such purported Transfer will be void and of no effect and the Company will not give effect to such Transfer.

(d) Each certificate representing Restricted Securities issued to the Securityholders will bear a legend on the face thereof substantially to the following effect (with such additions thereto or changes therein as the Company may be advised by counsel are required by law or necessary to give full effect to this Agreement, the "Legend"):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SECURITYHOLDERS' AGREEMENT AMONG CBRE HOLDING, INC., RCBA STRATEGIC PARTNERS, L.P., BLUM STRATEGIC PARTNERS, L.P., FS EQUITY PARTNERS III, L.P., FS EQUITY PARTNERS INTERNATIONAL, L.P., THE KOLL

HOLDING COMPANY, FREDERIC V. MALEK, DLJ INVESTMENT FUNDING, INC., CERTAIN MANAGEMENT INVESTORS, THE OTHER INVESTORS NAMED THEREIN AND CB RICHARD ELLIS SERVICES, INC., A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH STOCKHOLDERS' AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH SECURITYHOLDERS' AGREEMENT."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE."

The Legend will be removed by the Company by the delivery of substitute certificates without such Legend in the event of (i) a Transfer permitted by this Agreement in which the Permitted Transferee is not required to enter into an Assumption Agreement or (ii) the termination of Article II pursuant to the terms hereof; provided, however, that the second paragraph of the Legend will
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only be removed if at such time it is no longer required for purposes of applicable securities laws and, if requested by the Company, the Company receives an opinion to such effect of counsel to the applicable Securityholder in form and substance reasonably satisfactory to the Company.

2.2. Right of First Offer.

(a) If, following the Permitted Third Party Transfer Date, any of the FS Parties, the Note Investor Parties or the Other Non-Management Parties (each, a "Transferring Securityholder") desires to Transfer all or any portion
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of the Restricted Securities (the "Transfer Securities") then owned by such
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Transferring Securityholder to a Person that is not a Permitted Transferee of the Transferring Securityholder, such Transferring Securityholder shall provide BLUM with a written notice (the "Offer Notice") setting forth: (i) the number of
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shares of Common Stock proposed to be Transferred and (ii) the material terms and conditions of the proposed transfer including the minimum price (the "Offer
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Price") at which such Transferring Securityholder proposes to Transfer such
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shares. The Offer Notice shall also constitute an irrevocable offer to sell the Transfer Securities to BLUM or, at BLUM's option following receipt of the Offer Notice, to one or more assignees of BLUM (subject to such assignee's or assignees' delivery of an Assumption Agreement in compliance with Section 6.5 hereof) (x) at the Offer Price and on the same terms and conditions as the Transfer Offer or (y) if the Transfer Offer includes any consideration other than cash, at the option of BLUM or such assignee, at a cash price equal to the Fair Market Value of such non-cash consideration (the "Transfer Consideration").

(b) If BLUM or its assignee wishes to accept the offer set forth in the Offer Notice, BLUM or such assignee shall deliver within 15 business days of receipt of the Offer

Notice (such period, the "Election Period") an irrevocable notice of acceptance
to the Transferring Securityholder (the "Acceptance Notice"), which Notice shall
indicate the form of Transfer Consideration chosen (to the extent that the
Transfer Offer includes any consideration other than cash). BLUM or its assignee
may accept such offer for any or all of the Transfer Securities, provided,
however, that if BLUM or its assignee agrees to purchase less than all of the
Transfer Securities specified in the Offer Notice, then the Transferring
Securityholder can choose not to sell any shares to BLUM or its assignee, as
applicable, by delivering written notice thereof to BLUM or such assignee within
five Business Days of the Transferring Securityholder's receipt of the
Acceptance Notice. In the event that the Transferring Securityholder elects not
to sell any shares to BLUM or its assignee pursuant to the proviso in the
immediately preceding sentence, such Transferring Shareholder may transfer the
Transfer Securities to one or more Qualified Purchasers pursuant to Section
2.2(c) only if such Qualified Purchasers purchase in the aggregate at least as
many shares of the Transfer Securities as BLUM had agreed to purchase.

(c) If the option to purchase the Transfer Securities represented by the Offer Notice is accepted on a timely basis by BLUM or its assignee, in accordance with all the terms specified in Section 2.2(b) and such acceptance (if it is for less than all of the Transfer Securities) has not been rejected by the Transferring Securityholder, no later than the later of (x) 30 business days after the date of the receipt by BLUM of the Offer Notice or (y) the second business day after the receipt of any necessary governmental approvals (including, without limitation, the expiration or early termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended), BLUM (or its assignee), as applicable, shall deliver payment by wire transfer of immediately available funds, to the extent the Transfer Consideration is cash, and/or by delivery of the non-cash Transfer Consideration (to the extent chosen by BLUM or its assignee), to such Transferring Securityholder against delivery of certificates or other instruments representing the Common Stock so purchased, appropriately endorsed by such Transferring Securityholder. Each Transferring Securityholder shall deliver its shares of Common Stock free and clear of all liens, claims, options, pledges, encumbrances and security interests. To the extent BLUM or its assignee (i) has not given notice of its acceptance of the offer represented by the Offer Notice to purchase all of the Transfer Securities prior to the expiration of the Election Period, (ii) has accepted as to less than all of the Transfer Securities and such acceptance has been rejected by the Transferring Securityholder, (iii) has accepted as to less than all of the Transfer Securities and such acceptance has not been rejected by the Transferring Securityholder, or (iv) has not tendered the Purchase Price for the Transfer Securities in the manner and within the period set forth above in this Section 2.2(c), such Transferring Securityholder shall be free (subject to the last sentence of Section 2.2(b)) for a period of 120 days from the end of the Election Period to transfer the Transfer Securities (or in the case of the foregoing clause (iii), such remaining portion of the Transfer Securities) to a Qualified Purchaser at a price equal to or greater than the Offer Price and otherwise on terms which are no more favorable in any material respect to such Qualified Purchaser than the terms and conditions set forth in the Offer Notice. If for any reason such Transferring Securityholder does not transfer the Transfer Securities (or in the case of the foregoing clause (iii), such remaining portion of the Transfer Securities) to a Qualified Purchaser on such terms and conditions or if such Transferring Securityholder wishes to Transfer the Transfer Securities (or in the case of the foregoing clause (iii), such remaining portion of the Transfer Securities) at a lower Purchase Price or on terms which are more favorable in any material respect to a Qualified

Purchaser than those set forth in the Offer Notice, the provisions of this Section 2.2 shall again be applicable to the Transfer Securities (or in the case of the foregoing clause (iii), such remaining portion of the Transfer Securities); provided that if the Transferring Securityholder does not transfer all of the Transfer Securities (or in the case of the foregoing clause (iii), such remaining portion of the Transfer Securities) to a Qualifying Purchaser within 120 days from the end of the Election Period (the "Transfer Period") then such Transferring Securityholder may not deliver another Offer Notice until 90 days have elapsed since the end of the Transfer Period.

2.3. Certain Permitted Transfers.

Notwithstanding any other provision of this Agreement to the contrary, each Non-BLUM Party shall be entitled from time to time to Transfer any or all of the Restricted Securities held by it to (i) any of its Affiliates, (ii) in the case of each of the Note Investor Parties, its employees, (iii) in the case of each of the Note Investor Parties, to a transferee of Notes in connection with the Transfer of such Notes (or an affiliate of such transferee),

(iv) in the case of the FS Entities, beginning on April 12, 2003, on a pro rata basis to the partners of such Transferor, (v) in the case of any Non-BLUM Party (including any transferee that receives shares from an FS Entity pursuant to clause (iv) of this Section 2.3) who is an individual, (A) such Transferor's spouse or direct lineal descendants (including adopted children) or antecedents, (B) a charitable remainder trust or trust, in each case the current beneficiaries of which, or to a corporation or partnership, the stockholders or limited or general partners of which, include only such transferor and/or such transferor's spouse and/or such transferor's direct lineal descendants (including adopted children) or antecedents, or (C) the executor, administrator, testamentary trustee, legatee or beneficiary of any deceased transferor holding Restricted Securities or (vi) in the case of a transferee from an FS Entity pursuant to clause (iv) of this Section 2.3 that is a corporation, partnership, limited liability company, trust or other entity, pro rata without payment of consideration, to its shareholders, partners, members, beneficiaries or other entity owners, as the case may be; provided that with respect to each of the
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foregoing (x) any such transferee duly executes and delivers an Assumption Agreement, (y) each such transferee pursuant to clause (i) or (v) shall, and each such Transferring Non-BLUM Party shall cause such transferee (and, if applicable, such transferee's spouse) to, Transfer back to such Transferring Non-BLUM Party any Restricted Securities it owns prior to such transferee ceasing to satisfy any of the foregoing clause (i) or (v) of this Section 2.3 with respect to its relationship to such Transferring Non-BLUM Party, and (z) (1) if requested by the Company the Company has been furnished with an opinion of counsel in connection with such Transfer, in form and substance reasonably satisfactory to the Company, that such Transfer is exempt from or not subject to the provisions of Section 5 of the Securities Act and (2) the Company shall be reasonably satisfied that such Transfer is exempt from or not subject to any other applicable securities laws.

2.4. Tag-Along Rights.

(a) Prior to an Initial Public Offering, with respect to any proposed Transfer by BLUM and its Affiliates of shares of Common Stock to any Person other than BLUM and its Affiliates (each a "Third Party") (other than in
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a Public Offering, which shall be subject to Article III), whether pursuant to a stock sale, merger, consolidation, a tender or exchange offer or any other transaction (any such transaction, a "BLUM Sale"), BLUM and its Affiliates will
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have the obligation, and each of the Non-BLUM Parties will have the right, to require the proposed

transferee or acquiring Person (a "Proposed Transferee") to purchase from each
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of the Non-BLUM Parties who exercises its rights under Section 2.4(b) (a "Tagging Securityholder") a number of shares of Common Stock up to the product
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(rounded to the nearest whole number of shares) of (i) the quotient determined by dividing (A) the aggregate number of outstanding shares of Common Stock owned by such Tagging Securityholder by (B) the aggregate number of outstanding shares of Common Stock and (ii) the total number of shares of Common Stock proposed to be directly or indirectly Transferred to the Proposed Transferee, at the same price per share and upon the same terms and conditions (including, without limitation, time of payment and form of consideration) as to be paid by and given to BLUM and/or its Affiliates (as applicable). In order to be entitled to exercise its right to sell shares of Common Stock to the Proposed Transferee pursuant to this Section 2.4, each Tagging Securityholder must agree to make to the Proposed Transferee the same covenants, indemnities (with respect to all matters other than BLUM's and/or its Affiliates' Ownership of Common Stock) and agreements as BLUM and/or its Affiliate (as applicable) agrees to make in connection with the BLUM Sale and such representations and warranties (and related indemnification) as to its Ownership of its Common Stock as are given by BLUM and/or its Affiliate (as applicable) with respect to such party's Ownership of Common Stock; provided, that all such covenants, indemnities and agreements
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shall be made by each Tagging Securityholder, severally and not jointly, and that the liabilities thereunder (other than with respect to Ownership, which shall be several obligations) shall be borne on a pro rata basis based on the number of shares Transferred by each of BLUM, and its Affiliates and the Tagging Securityholders. Each Tagging Securityholder will be responsible for its proportionate share of the reasonable out-of-pocket costs incurred by BLUM and its Affiliates in connection with the BLUM Sale to the extent not paid or reimbursed by the Company or the Proposed Transferee.

(b) BLUM will give notice to each Tagging Securityholder of each proposed BLUM Sale at least 15 business days prior to the proposed consummation of such BLUM Sale, setting forth the number of shares of Common Stock proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration (and if such consideration consists in part or in whole of property other than cash, BLUM will provide such

information, to the extent reasonably available to BLUM, relating to such consideration as the Tagging Securityholder may reasonably request in order to evaluate such non-cash consideration) and other terms and conditions of payment offered by the Proposed Transferee. The tag-along rights provided by this Section 2.4 must be exercised by each Tagging Securityholder within 10 business days following receipt of the notice required by the preceding sentence by delivery of an irrevocable written notice to BLUM indicating such Tagging Securityholder's exercise of its, her or his rights and specifying the number of shares of Common Stock it, she or he desires to sell. The Tagging Securityholder will be entitled under this Section 2.4 to Transfer to the Proposed Transferee the number of shares of Common Stock determined in accordance with Section 2.4(a).

(c) If any Tagging Securityholder exercises its, her or his rights under Section 2.4(a), the closing of the purchase of the Common Stock with respect to which such rights have been exercised is subject to, and will take place concurrently with, the closing of the sale of BLUM's or its Affiliate's Common Stock to the Proposed Transferee.

2.5. Drag-Along Rights.

(a) If BLUM and/or its Affiliates (in such capacity, the "Dragging Party") agree to Transfer to a Third Party or a group of Third Parties (other than in a Public Offering) a majority of the shares of Common Stock beneficially owned by BLUM and its Affiliates at the time of such Transfer, then each of the Non-BLUM Parties hereby agrees that, if requested by the Dragging Party, it will Transfer to such Third Party on the same terms and conditions (including, without limitation, time of payment and form of consideration, but subject to Section 2.5(b)) as to be paid and given to the Dragging Party, the same portion (as determined by the immediately succeeding sentence) of such Non-BLUM Party's Restricted Securities as is being Transferred by BLUM and its Affiliates. Each Non-BLUM Party can be required to sell pursuant to this Section 2.5 that number of Restricted Securities equal to the product obtained by multiplying (i) a fraction, (A) the numerator of which is the aggregate number of shares of Common Stock to be Transferred by BLUM and its Affiliates and (B) the denominator of which is the aggregate number of shares of Common Stock owned by BLUM and its Affiliates at the time of the Transfer by (ii) the aggregate number of shares of Common Stock owned by such Non-BLUM Party (including for these purposes all shares of Common Stock issuable upon exercise, exchange or conversion of other Equity Securities).

(b) The Dragging Party will give notice (the "Drag-Along Notice") to each of the Non-BLUM Parties of any proposed Transfer giving rise to the rights of the Dragging Party set forth in Section 2.5(a) at least ten (10) calendar days prior to such Transfer. The Drag-Along Notice will set forth the number of shares of Common Stock proposed to be so Transferred, the name of the Proposed Transferee, the proposed amount and form of consideration (and if such consideration consists in part or in whole of property other than cash, the Dragging Party will provide such information, to the extent reasonably available to the Dragging Party, relating to such consideration as the Non-BLUM Parties may reasonably request in order to evaluate such non-cash consideration), the number of Restricted Securities sought and the other terms and conditions of the proposed Transfer. In connection with any such Transfer, such Non-BLUM Parties shall be obligated only to (i) make representations and warranties (and provide related indemnification) as to their respective individual Ownership of Restricted Securities (and then only to the same extent such representations and warranties are given by the Dragging Party with respect to its Ownership of Common Stock), (ii) agree to pay its pro rata share (based on the number of shares transferred by each stockholder in such transaction) of any liability arising out of any representations, warranties, covenants or agreements of the selling Securityholders that survive the closing of such transaction and do not relate to Ownership of Restricted Securities; provided, however that this Section 2.5(b)(ii) shall not apply if, no later than five (5) calendar days after receipt of the Drag-Along Notice by the FS Entities, the FS Entities deliver to BLUM a certificate signed by the FS Entities certifying in good faith that they (x) do not desire to Transfer any of the Restricted Securities beneficially owned by them in the proposed Transfer set forth in the Drag-Along Notice and (y) would not exercise their rights pursuant to Section 2.4 hereto in connection with such proposed Transfer if BLUM had not otherwise delivered a Drag-Along Notice with respect thereto, and (iii) agree to pay their proportionate share of the reasonable costs incurred in connection with such transaction to the extent not paid or reimbursed by the Company or the Proposed Transferee. If the Transfer referred to in the Drag-Along Notice is not consummated within 120 days from the date of the Drag-Along Notice, the

Dragging Party must deliver another Drag-Along Notice in order to exercise its

rights under this Section 2.5 with respect to such Transfer or any other Transfer.

(c) If BLUM approves (i) any merger, consolidation, amalgamation or other business combination involving the Company or any of its Subsidiaries or (ii) the sale of all of the business or assets of, or substantially all of the assets of, the Company or any of its Subsidiaries (any of the foregoing events, a "Transaction"), then each of the Non-BLUM Parties agrees to vote all shares of Common Stock held by it or its Affiliates to approve such Transaction and not to exercise any appraisal or dissenters' rights available to such Non-BLUM Parties under any rule, regulation, statute, agreement among the stockholders, the Certificate of Incorporation, the Bylaws or otherwise.

2.6. Participation Right.

(a) The Company shall not issue (an "Issuance") additional Equity Securities of the Company after the date hereof to any Person (other than (i) Equity Securities issued upon the exchange, exercise or conversion of other Equity Securities in accordance with the terms thereof, (ii) Equity Securities issued in connection with any stock split, stock dividend or recapitalization of the Company, as long as the same is fully proportionate for each class of affected security and entails equal treatment for all shares or units of such class, (iii) Equity Securities issued by the Company pursuant to the acquisition by the Company or its Subsidiaries of another Person or a material portion of the assets thereof, by merger, purchase of assets or otherwise in consideration for the assets and/or equity securities so acquired, (iv) Equity Securities issued to employees, officers, directors, or consultants of the Company or its Subsidiaries, (v) Equity Securities issued in connection with a Public Offering, (vi) Equity Securities issued to customers, venders, lenders, and other non-equity financing sources, lessors of equipment and other providers of goods or services to the Company or its Subsidiaries or (vii) Equity Securities issued pursuant to the Anti-Dilution Agreement, each of which will not be subject to this Section 2.6), unless, prior to such Issuance, the Company notifies each Securityholder party hereto in writing of the Issuance and grants to each such Securityholder or, at such Securityholder's election, one of its Affiliates, the right (the "Right") to subscribe for and purchase such Securityholder's pro rata share (determined as provided below) of such additional Equity Securities so issued at the same price and upon the same terms and conditions as issued in the Issuance. Each Securityholder's pro rata share is equal to the ratio of (A) the number of shares of Common Stock owned by such Securityholder (including for these purposes all shares of Common Stock issuable upon exercise, exchange or conversion of other Equity Securities) to (B) the total number of shares of the Company's outstanding Common Stock (including for these purposes all shares of Common Stock issuable upon exercise, exchange or conversion of other Equity Securities) immediately prior to the issuance of the Equity Securities.

(b) The Right may be exercised by each Securityholder party hereto or its Affiliates at any time by written notice to the Company received by the Company within 10 business days after receipt of notice from the Company of the Issuance, and the closing of the purchase and sale pursuant to the exercise of the Right shall occur at least 20 business days after the giving of the notice of the Issuance by the Company and prior to or concurrently with the closing of the Issuance. Notwithstanding the foregoing (i) the Right shall not apply to any Issuance, pro rata, to all holders of Common Stock and (ii) the Company shall not be required to

offer or sell any Equity Security to any Securityholder who is not an "accredited investor" as defined in Regulation D of the rules and regulations promulgated by the SEC under the Exchange Act or who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale.

III REGISTRATION RIGHTS

3.1. Demand Registration.

(a) Subject to the conditions of this Section 3.1, if the Company shall receive a written request from (i) BLUM Holders holding not less than 25% of the Registrable Securities then outstanding held by the BLUM Holders, (ii) FS Holders holding not less than 25% of the Registrable Securities then outstanding held by the FS Holders or (iii) Note Investor Holders holding not less than 25% of the Registrable Securities then outstanding held by the Note Investor Holders, that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities, then the Company shall, within five (5) days of the receipt thereof, give written notice of such request to all Holders, who must respond in writing within fifteen (15) days requesting inclusion in the registration. The request must specify the

amount and intended disposition of such Registrable Securities. The Company, subject to the limitations of this Section 3.1, must use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered in accordance with this Section 3.1 together with any other securities of the Company entitled to inclusion in such registration.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 3.1 and the Company shall include such information in the written notice referred to in Section 3.1(a). In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by a majority in interest of the Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 3.1, if the managing underwriter advises the Company in writing that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) because the number of securities to be underwritten is likely to have an adverse effect on the price, timing or the distribution of the securities to be offered, then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated among participating Holders, (i) first among the Initiating Holders as nearly as possible on a pro rata basis based on the total number of Registrable Securities held by all such Initiating Holders and (ii) second to the extent all Registrable Securities requested to be included in such underwriting by the Initiating Holders have been included, among the Holders requesting inclusion of Registrable Securities in such underwritten offering (other than the Initiating Holders), as nearly as possible on a pro rata basis

based on the total number of Registrable Securities held by all such Holders. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration. To facilitate the allocation of shares in accordance with the foregoing, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares.

(c) The Company shall not be required to effect a registration pursuant to this Section 3.1:

(i) prior to the date one hundred eighty (180) days following the effective date of the registration statement pertaining to the Initial Public Offering;

(ii) in the case of (x) a registration requested by BLUM Holders pursuant to Section 3.1(a)(i), after the Company has effected six (6) registrations requested by BLUM Holders pursuant to such Section, (y) a registration requested by FS Holders pursuant to Section 3.1(a)(ii), after the Company has effected three (3) registrations requested by FS Holders pursuant to such Section, and (z) a registration requested by Note Investor Holders pursuant to Section 3.1(a)(iii), after the Company has effected one (1) registration requested by Note Investor Holders pursuant to such Section;

(iii) if the anticipated aggregate gross proceeds to be received by such Holders are less than $2,000,000;

(iv) if within five (5) days of receipt of a written request from the Initiating Holders pursuant to Section 3.1(a), the Company in good faith gives notice to the Initiating Holders of the Company's intention to make a public offering within ninety (90) days in which case Section 3.2 shall govern; provided that if the Company does not file a registration statement under the Securities Act relating to such public offering within such ninety (90) day period (such 90 day period being referred to herein as the "Relevant Period") the Company shall be
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prohibited from delivering additional notices pursuant to this Section 3.1(c)(iv) until the 181st day following the last day of the Relevant Period; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 3.1, a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more

than ninety (90) days after receipt of the request of the Initiating Holders; provided that the Company shall not defer filings pursuant to this clause (v) more than an aggregate of ninety (90) days in any twelve (12) month period.

(d) The Company shall select the registration statement form for any registration pursuant to Section 3.1, but shall cooperate with the requests of the Initiating Shareholders or managing underwriters selected by them as to the inclusion therein of information not specifically required by such form.

3.2. Piggyback Registrations.

(a) The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding (i) registration statements relating to employee benefit plans or with respect to corporate reorganizations or other transactions under Rule 145 of the Securities Act; (ii) any registration statement filed pursuant to Section 3.1 (with respect to which the Holders rights to participate in such registered offering shall be governed by Section 3.1); and (iii) any registration statement relating to the Initial Public Offering unless Registrable Securities of BLUM or its Affiliates are to be sold in the IPO) and, subject to Section 3.13(a), will use its best efforts to afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) If the registration statement under which the Company gives notice under this Section 3.2 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities as part of the written notice provided to the Holders pursuant to Section 3.2(a). In such event, the right of any such Holder to be included in a registration pursuant to this Section 3.2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the managing underwriter advises the Company in writing that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) in an offering subject to this Section 3.2 because the number of securities to be underwritten is likely to have an adverse effect on the price, timing or the distribution of securities to be offered, then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated, first, to the Company and second, to the Holders on a pro rata basis based on the total number of Registrable Securities held by the Holders. No such reduction shall (i) reduce the securities being offered by the Company for its own account to be included in the registration and underwriting, or (ii) reduce the amount of securities of the selling Holders included in the registration below twenty-five percent (25%) of the total amount of securities included in such registration, unless such offering does not include shares of any other selling shareholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding sentence.

(c) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 3.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 3.3 hereof.

3.3. Expenses of Registration.

Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 3.1 or Section 3.2 herein shall be borne by the Company.

All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the Holders of the Registrable Securities so registered pro rata on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 3.1, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) (x) BLUM Holders holding not less than 50% of the Registrable Securities then outstanding held by all BLUM Holders, in the case of a registration requested pursuant to Section 3.1(a)(i), (y) FS Holders holding not less than 50% of the Registrable Securities then outstanding held by all FS Holders, in the case of a registration requested pursuant to Section 3.1(a)(ii), or (z) Note Investor Holders holding not less than 50% of the Registrable Securities then outstanding held by all Note Investor Holders, in the case of a registration requested pursuant to Section 3.1(iii), agree to forfeit their right to one requested registration pursuant to Section 3.1, as applicable, in which event such right shall be forfeited by all BLUM Holders, in the case of clause (x), all FS Holders in the case of clause (y) and all Note Investor Holders in the case of clause (z). If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then the Holders shall not forfeit their rights pursuant to Section 3.1 to a demand registration.

3.4. Effective Registration Statement.

A registration requested pursuant to Section 3.1 will not be deemed to have been effected unless it has become effective and all of the Registrable Securities registered thereunder have been sold; provided, that if within 180 days after it has become effective, the offering of Registrable Securities pursuant to such registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental entity, such registration shall be deemed not to have been effected.

3.5. Selection of Counsel.

In connection with any registration of Registrable Securities pursuant to Sections 3.1 or 3.2 hereof, the Holders of a majority in interest of the Initiating Holders (or the Holders of a majority of the Registrable Securities covered by the registration pursuant to Section 3.2) may select one counsel to represent all Holders of Registrable Securities covered by such registration;

provided, however, that in the event that the counsel selected as provided above is also acting as counsel to the Company in connection with such registration, the remaining Holders shall be entitled to select one additional counsel to represent all such remaining Holders.

3.6. Obligations of the Company.

Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) (1) in the case of a registration initiated under Section 3.1 prepare and, in any event within ninety (90) days after the receipt of the notice contemplated by Section 3.1(a), file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, (2) in the case of any registration effected under Section 3.1, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to one hundred and eighty (180) days or, if earlier, until the Holder or Holders have completed the distribution related thereto.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement; provided, that before filing a registration statement or prospectus, or any amendments or supplements thereto, the Company will furnish to counsel (selected pursuant to Section 3.5 hereof) for the Holders of Registrable Securities copies of all documents proposed to be filed, which documents will be subject to the review of such counsel.

(c) Furnish to each Holder such number of copies of such

registration statement and of each amendment and supplement thereto (in each case including all exhibits filed therewith including any documents incorporated by reference), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such Holder may reasonably request in order to facilitate the disposition of Registrable Securities owned by such Holder.

(d) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders, request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided, --------
that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act.

(e) Use its best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental entities as

may be necessary to enable the Holders thereof to consummate the disposition of such Registrable Securities.

(f) Enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other Persons in addition to, or in substitution for the provisions of Section 3.9 hereof, and take such other actions as Holders of a majority of shares of such Registrable Securities or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

(g) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and prepare and furnish to each Holder any supplement or amendment necessary so that the supplemented or amended prospectus no longer includes such untrue or misleading statements or omissions of material fact.

(h) Otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable (but not more than 18 months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act.

(i) Use its best efforts to list such Registrable Securities on any securities exchange on which the Common Stock is then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange, and use its best efforts to provide a transfer agent and registrar for such Registrable Securities covered by such registration statement not later than the effective date of such registration statement.

(j) Furnish, at the request of the Holders of a majority of the Registrable Securities being registered in the registration, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory in form, substance and scope to a majority in interest of the Initiating Holders (or Holders requesting registration in the case of a registration pursuant to Section 3.2), addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a "cold comfort" letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Initiating Holders (or Holders requesting registration in the case of a registration pursuant to Section 3.2), addressed to the underwriters, if any, and if permitted by applicable accounting standards, to the Holders requesting registration of Registrable Securities.

(k) Make available for inspection by any Holder of such Registrable Securities covered by such registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such Holder or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such Holder, underwriter, attorney, accountant or agent in connection with such registration statement.

(l) Notify counsel (selected pursuant to Section 3.5 hereof) for the Holders of Registrable Securities included in such registration statement and the managing underwriter or agent, immediately, and confirm the notice in writing (i) when the registration statement, or any post-effective amendment to the registration statement, shall have become effective, or any supplement to the prospectus or any amendment prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request of the Commission to amend the registration statement or amend or supplement the prospectus or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement for offering or sale in any jurisdiction, or of the institution or threatening of any legal actions for any of such purposes.

(m) Make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus and, if any such order is issued, to obtain the withdrawal of any such order at the earliest possible moment.

(n) If requested by the managing underwriter or agent or any Holder of Registrable Securities covered by the registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including, with respect to the number of Registrable Securities being sold by such Holder to such underwriter or agent, the Purchase Price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment.

(o) Cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such Holders may request.

(p) Cooperate with each Holder of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel

in connection with any filings required to be made with the National Association of Securities Dealers, Inc.

(q) Make available the executive officers of the Company to participate with the Holders of Registrable Securities and any underwriters in any "road shows" or other selling efforts that may be reasonably requested by the Holders in connection with the methods of distribution for the Registrable Securities.

3.7. Termination of Registration Rights.

A Holder's registration rights pursuant to this Article III shall expire if (i) the Company has completed its Initial Public Offering and is subject to the provisions of the Exchange Act, (ii) such Holder (together with its Affiliates, partners and former partners) holds less than 2% of the Company's outstanding Common Stock and (iii) all Registrable Securities held by such Holder (and its Affiliates, partners and former partners) may be sold under Rule 144 during any ninety (90) day period. Upon expiration of a Holder's registration rights pursuant to this Section 3.7, the obligations of the Company under this Article III to give such Holder notice of registrations or take any other actions under this Article III with respect to the registration of securities held by such Holder shall also terminate.

3.8. Delay of Registration; Furnishing Information.

It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 3.1 or 3.2 that the selling Holders shall furnish to the Company upon written request of the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall reasonably be required to effect the registration of their Registrable Securities.

3.9. Indemnification.

(a) The Company will indemnify and hold harmless each Holder, each Affiliate of each Holder and their respective partners, officers and directors (and any director, officer, Affiliate, employee, agent or controlling Person of any of the foregoing), legal counsel and accountants of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, liabilities (joint or several) or expenses, as incurred, to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) or expenses arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement, including any preliminary prospectus, summary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by

such registration statement; and the Company will reimburse each such Holder, partner, officer or director, underwriter, legal counsel, accountants or controlling Person for any legal or other expenses, as incurred, reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 3.9(a) shall not apply (x) to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, underwriter or controlling Person of such Holder, and (y) to indemnify underwriters in the offering or sale of Registrable Securities or any other Person, if any, who controls such underwriter within the meaning of the Securities Act with respect to preliminary, final or summary prospectus, or any amendments or supplement thereto, to the extent that it is established that any such action, loss, damage, liability or expense of such underwriter or controlling Person resulted from the fact that such underwriter sold Registrable Securities to a Person whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus (including any documents incorporated by reference therein) or of the final prospectus, as then amended or supplemented (including any documents incorporated by reference therein), whichever is most recent, if the Company has previously furnished copies thereof to such underwriter.

(b) Each Holder will, severally but not jointly, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers, legal counsel, accountants and each Person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers, legal counsel, accountants or any Person who controls such Holder, against any losses, claims, damages, liabilities (joint or several) or expenses to which the Company or any such director, officer, controlling Person, underwriter or other such Holder, or partner, director, officer, legal counsel, accountants or controlling Person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) or expenses arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling Person, underwriter or other Holder, or

partner, officer, director or controlling Person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such a Violation; provided, however, that the indemnity agreement contained in this Section 3.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided, further, that in no event shall any indemnity under this Section 3.9 exceed the total net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 3.9, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided that the failure of the indemnified party to give notice as provided herein shall relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 3.9 only to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim or there may be a legal defense available to such indemnified party different from or in addition to those available to the identifying party, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 3.9 is unavailable to an indemnified party, the indemnifying party shall contribute to the aggregate losses, damages, liabilities and expenses (collectively, "Losses") of the nature contemplated by such indemnity incurred by any indemnified party, (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified parties on the other, in connection with the statements or omissions which resulted in such Losses or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative fault of but also the relative benefits to the indemnifying party on the one hand and each such indemnified party on the other, in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits to the indemnifying party and the indemnified party shall be determined by reference to, among other things, the total proceeds received by the indemnifying party and the indemnified party in connection with the offering to which such losses relate. The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or related to information supplied by, the indemnifying party or the indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The parties hereto agree that it would be not be just or equitable if contribution pursuant to this Section 3.9 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 3.10, no indemnified party shall be required to contribute any amount in excess of the amount of total net proceeds to such indemnified party from sales of the Registrable Securities of such indemnified party pursuant to the offering that gave rise to such Losses.

(e) The obligations of the Company and Holders under this Section 3.9 shall survive completion of any offering of Registrable Securities in a registration statement and the termination of this Agreement.

3.10. Assignment of Registration Rights.

The rights to cause the Company to register Registrable Securities pursuant to this Article III may be assigned by a Holder to a transferee of such Registrable Securities; provided, however, that in each case (i) such Transfer of Registrable Securities shall comply with the provisions of Article II hereto,

(ii) the Transferor shall, within ten (10) days after such Transfer, furnish to the Company written notice of the name and address of such transferee and the securities with respect to which such registration rights are being Transferred and (iii) such transferee shall execute and deliver to BLUM and the Company an Assumption Agreement and become bound by the provisions of this Agreement in the manner set forth in Section 6.5 hereto.

3.11. Amendment of Registration Rights.

Any provision of this Article III may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company, BLUM and the Holders of at least a majority of the Registrable Securities then outstanding; provided that no such amendment shall adversely affect the rights of the FS Holders relative to the rights of the BLUM Holders without the written consent of the Holders of a majority of the Registrable Securities then outstanding held by the FS Holders, provided, further that no such amendment shall adversely affect the rights of the Note Investor Holders relative to the rights of the BLUM Holders without the written consent of the Holders of a majority of the Registrable Securities then outstanding held by all Note Investor Holders and provided, further that no such amendment shall adversely affect the rights of the Other Holders relative to the rights of the BLUM Holders without the written consent of the Holders of a majority of the Registrable Securities then outstanding held by all Other Holders. No such amendment shall adversely affect the rights of the Note Investor Holders relative to the rights of the FS Holders or the Other Holders without the written consent of the Holders of a majority of the Registrable Securities then outstanding held by the Note Investor Holders. No such amendment shall adversely affect the rights of the Other Holders relative to the rights of the FS Holders or the Note Investor Holders without the written consent of the Holders of a majority of the Registrable Securities then outstanding held by the Other Holders. Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any amendment authorized by this Section, whether or not such Registrable Securities shall have been marked to indicate such amendment.

3.12. Limitation on Subsequent Registration Rights.

After the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder registration rights senior to or otherwise more favorable than those granted to the Holders hereunder.

3.13. "Market Stand-Off" Agreement; Agreement to Furnish Information.

(a) Subject to the condition that all Holders holding at least 2% of the outstanding shares of Common Stock are subject to the same restrictions, each Holder hereby agrees that such Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, regarding any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act pursuant to which an Initial Public Offering is effected. The Company may impose stop-transfer instructions with respect to the Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day period. For the avoidance of doubt such agreement shall apply only to the Initial Public Offering.

(b) Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information concerning such Holder as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 3.13 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. Each Holder further agrees the foregoing restriction

shall be binding on any transferee from the Holder.

3.14. Rule 144 Reporting.

With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) File, make and keep public information available, as those terms are understood and defined in Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities pursuant to the Securities Act or pursuant to the requirements of Section 12 of the Exchange Act;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of Rule 144 of the Securities Act, and of the Exchange Act (at any when

it is subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

IV GOVERNANCE

4.1. The Board Prior to an Initial Public Offering.

The following provisions shall apply with respect to the Board prior to an Initial Public Offering:

(a) Immediately after the Closing, the Board shall consist of eight (8) directors, unless BLUM exercises its right pursuant to Section 4.1(f) hereof, in which case the Board shall then consist of between nine (9) and eleven (11) directors.

(b) Each of the Company and the Class B Securityholders agrees to take all action necessary to cause each of the designees described in Section 4.1(c) below to be elected or appointed to the Board concurrently with the Closing, including without limitation, seeking and accepting resignations of incumbent directors.

(c) Each Class B Securityholder agrees that at all times prior to an IPO, it will vote, or execute a written consent in lieu thereof with respect to, all of the shares of voting capital stock of the Company owned or held of record by it, or cause all of the shares of voting capital stock of the Company beneficially owned by it to be voted, or cause a written consent in lieu thereof to be executed, to elect and, during such period, to continue in office a Board consisting solely of the following (subject to the other provisions of this Section 4.1):

(i) three (3) designees of the BLUM Funds, subject to Section 4.1(d) below (including any director designees of BLUM pursuant to Section 4.1(f) below, the "BLUM Directors"), two (or three if the BLUM Directors are increased to four (4) pursuant to Section 4.1(c)(v) below) of whom shall be designated by BLUM and one of whom shall be designated by Blum Strategic;

(ii) one designee of the FS Entities, collectively (the "FS Director");

(iii) Wirta for so long as he is employed by the Company or, if Wirta is no longer employed by the Company, the Chief Executive Officer of the Company at such time;

(iv) White for so long as he is employed by the Company or, if White is no longer employed by the Company, the Chairman of the Americas of the Company at such time; provided, however that in the event that any Person other than White shall hold such title, BLUM shall have the option to reduce the size of the Board by one director and eliminate this clause (iv); and

(v) immediately after the Closing and for so long as a majority of the members of the Board shall agree, an employee (the "Production Director") of the Company or CBRE involved in CBRE's "Transaction Management" business (as described in the Company 10-K (as defined in the Merger Agreement)); provided, however that, during any period in which the Production Director is a member of the Board, the number of BLUM Directors set forth in Section 4.1(c)(i) shall be increased to four (4) during such period (which number does not include the director designees of BLUM pursuant to Section 4.1(f) below).

provided that each of the foregoing designation rights will be subject to the following provisions of this Section 4.1.

(d) The director designation right of the BLUM Funds in Section 4.1(c) will reduce (i) to three (or two if there shall not be a Production Director as a member of the Board at such time), two or one of whom, as the case may be, shall be designated by BLUM and one of whom shall be designated by Blum Strategic, if BLUM and its Affiliates, collectively, beneficially own Common Stock representing less than 22.5% of the outstanding Common Stock, (ii) to two (or one if there shall not be a Production Director as a member of the Board at such time), one of whom shall be designated by BLUM and one of whom, if the number of BLUM Directors is reduced to two pursuant to this subsection, shall be designated by Blum Strategic, if BLUM and its Affiliates, collectively, beneficially own Common Stock representing less than 15% of the outstanding Common Stock, and (iii) to zero if BLUM and its Affiliates, collectively, beneficially own Common Stock representing less than 7.5% of the outstanding Common Stock.

(e) The director designation right of the FS Entities in Section 4.1(c)(ii) will reduce to zero if the FS Entities and their Affiliates, collectively, beneficially own Common Stock representing less than 7.5% of the outstanding Common Stock.

(f) At the request of BLUM (provided that the BLUM Funds are then entitled to designate at least three BLUM Directors pursuant to this Section 4.1), the number of BLUM Directors will be increased such that the BLUM Funds thereafter have the right to designate a majority of the entire Board, and the size of the Board will be expanded to the extent necessary to create director vacancies in connection therewith (subject to subsequent reduction in the number of BLUM Directors pursuant to Section 4.1(d) hereof). BLUM shall have the right to designate any directors required to fill vacancies created at BLUM's request pursuant to this Section 4.1(f). In the event that the size of the Board will exceed the board size specified by the Company's Certificate of Incorporation or Bylaws, each of the Company and the Class B Securityholders will take all necessary steps to expand the size of the Board.

(g) Each committee of the Board will include at least one BLUM Director and the FS Director (provided that at least one such director position is then filled and unless the Securityholder appointing such director(s) shall otherwise agree), unless otherwise agreed in writing by BLUM or Freeman Spogli, respectively.

(h) If either the BLUM Funds or the FS Entities notifies the other Class B Securityholders in writing of its desire to remove, with or without cause, any director of the

Company previously designated by it, each Class B Securityholder will vote (to the extent eligible to vote) all of the shares of voting capital stock of the Company beneficially owned or held of record by it, him or her so as to remove such director or, upon request, each Class B Securityholder will promptly execute and return to the Company any written resolution or consent to such effect. In the event that any of such Persons is no longer entitled pursuant to this Section 4.1 to designate a director previously designated by such Securityholder(s), such director promptly will be removed from the Board, and each Class B Securityholder will vote (to the extent eligible to vote) all of the shares of voting capital stock of the Company beneficially owned or held of record by it so as to remove such director or, upon request, each Class B Securityholder will promptly execute and return to the Company any written resolution or consent to such effect.

(i) If any director previously designated by the BLUM Funds or the FS Entities ceases to serve on the Board (whether by reason of death, resignation, removal or otherwise), the Person who designated such director will be entitled to designate a successor director to fill the vacancy created thereby, and each Class B Securityholder will vote (to the extent eligible to vote) all of the shares of voting capital stock of the Company beneficially owned or held of record by it or him or her in favor of such designation or, upon request, each Class B Securityholder will promptly execute and return to the Company any

written resolution or consent to such effect.

4.2. The Board Subsequent to an Initial Public Offering.

Following the IPO, (a) BLUM shall be entitled to nominate a percentage of the total number of directors on the Board that is equivalent to the percentage of the outstanding Common Stock beneficially owned by BLUM and its Affiliates, collectively (such percentage of directors nominated by BLUM and its Affiliates to be rounded up to the nearest whole number of directors) and (b) the FS Entities shall be entitled to nominate one director as long as the FS Entities own in the aggregate at least 7.5% of the outstanding Common Stock. The Company hereby agrees that, at all times after the IPO, at and in connection with each annual or special meeting of stockholders of the Company at which directors of the Company are to be elected, the Company, the Board and the nominating committee thereof will (A) nominate and recommend to stockholders for election or re-election as part of the management slate of directors each such individual and (B) provide the same type of support for the election of each such individual as a director of the Company as provided by the Company, its directors, its management and its Affiliates to other Persons standing for election as directors of the Company as part of the management slate. Each Securityholder that is a Class B Securityholder immediately prior to the IPO hereby agrees that, at all times after the IPO, such Securityholder will, and will cause each of its Affiliates to, vote all shares of Common Stock owned or held of record by it, at each annual or special meeting of stockholders of the Company at which directors of the Company are to be elected, in favor of the election or re-election as a member of the Board of each such individual nominated by any Securityholder pursuant to this Section 4.2.

4.3. Observers.

(a) Prior to the IPO, the FS Entities, collectively, shall be entitled to have two observers in addition to the FS Director (the "FS Observers") at all regular and special meetings

of the Board for so long as the FS Entities, collectively, beneficially own Common Stock representing at least 7.5% of the outstanding Common Stock.

(b) Prior to the IPO and solely for so long as needed by DLJ, upon the advice of counsel, to maintain its qualification as a "Venture Capital Operating Company" pursuant to Section 29 C.F.R. (S) 2510.3, the DLJ Investors, by vote of a majority of the outstanding Restricted Securities held by the DLJ Investors, shall be entitled to have one observer (the "DLJ Observer", and together with the FS Observers, the "Observers") at all regular and special meetings of the Board for so long as the DLJ Investors, collectively, beneficially own (i) Restricted Securities representing at least 1.0% of the outstanding Common Stock or (ii) a majority in principal amount of the Notes.

(c) The Company shall reimburse each Observer for out-of-pocket expenses, if any, relating to attendance at such meetings but only to the same extent that the Company reimburses the non-employee members of the Board for such attendance expenses. Each Observer shall be entitled to receive the same notice of any such meeting as any director, and shall have the right to participate therein, but shall not have the right to vote on any matter or to be counted for purposes of determining whether a quorum is present thereat. In addition, each Observer shall have the right to receive copies of any action proposed to be taken by written consent of the Board without a meeting. Notwithstanding the foregoing, no action of the Board duly taken in accordance with the laws of the State of Delaware, the Certificate of Incorporation and the By-Laws shall be affected by any failure to have provided notice to any Observer of any meeting of the Board or the taking of action by the Board without a meeting. Any Observer may be required by the Board to temporarily leave a meeting of the Board if the presence of such Observer at the meeting at such time would prevent the Company from asserting the attorney-client or other privilege with respect to matters discussed before the Board at such time. The FS Entities agree to cause the FS Observers to keep any matters observed or materials received by them at any meeting of the Board strictly confidential. The DLJ Investors agree to cause the DLJ Observer to keep any matters observed or materials received by him or her at any meeting of the Board strictly confidential.

(d) With respect to each committee of the Board for which BLUM or the FS Entities agrees in writing to waive its right set forth in Section 4.1(g) hereto, BLUM or the FS Entities, as the case may be, shall be entitled to have one observer at all meetings of such committee (provided that BLUM or the FS Entities, as the case may be, shall at such time be entitled to designate at least one director to the Board pursuant to Section 4.1 hereto). Each such observer shall be entitled to receive the same notice of any such meeting as any

director that is a member thereof, and shall have the right to participate therein, but shall not have the right to vote on any matter or to be counted for purposes of determining whether a quorum is present thereat. In addition, each such observer shall have the right to receive copies of any action proposed to be taken by written consent of such committee without a meeting. Notwithstanding the foregoing, no action of the such committee duly taken in accordance with the laws of the State of Delaware, the Certificate of Incorporation and the By-Laws shall be affected by any failure to have provided notice to any observer of any meeting of such committee or the taking of action by such committee without a meeting. Any such observer may be required by such committee to temporarily leave a meeting of the committee if the presence of such observer at the meeting at such time would prevent the Company from asserting the attorney-client or other privilege with

respect to matters discussed before the committee at such time. BLUM agrees to cause any observer designated by it to keep any matters observed or materials received by him or her at any meeting of such committee strictly confidential. The FS Entities agree to cause the any observer designated by it to keep any matters observed or materials received by them at any meeting of such committee strictly confidential.

4.4. Advisors.

For so long as each Other Non-Management Investor shall be a Securityholder, such Other Non-Management Investor shall have the right to provide, and at the reasonable request of the Board or the management of the Company, shall provide, advice with respect to the Company's industry, business and operations ("Advisory Services"), which advice the Board or the management of the Company, as applicable, will consider in good faith. With respect to the provision of such Advisory Services at the request of the Board or the management of the Company, the Company shall reimburse each Other Non-Management Investor for any reasonable out-of-pocket expenses incurred by such Other Non-Management Investor in connection therewith.

4.5. Voting.

(a) Except as otherwise provided in this Section 4.5 or this Article IV, prior to an Initial Public Offering, each of the Non-BLUM Parties that is a Class B Securityholder agrees to vote at any stockholders meeting (or in any written consent in lieu thereof) all of the shares of voting capital stock of the Company owned or held of record by it, or cause all of the shares of voting capital stock of the Company beneficially owned by it to be voted at any stockholders meeting (or in any written consent in lieu thereof), in same the manner as BLUM votes the shares of voting capital stock of the Company beneficially owned by it at such meeting (or in such written consent in lieu thereof), except with respect to the following actions by the Company or any of its Subsidiaries:

(i) any transaction between (x) BLUM or any of its Affiliates and (y) the Company or any of its Subsidiaries, other than a transaction (A) with another portfolio company of BLUM or any of its Affiliates that has been negotiated on arms-length terms in the ordinary course of business between the managements of the Company or any of its Subsidiaries and such other portfolio company, (B) with respect to which the Securityholders may exercise their rights under Section 2.6 of this Agreement or (C) specifically contemplated by the Merger Agreement; or

(ii) any amendment to the Certificate of Incorporation or Bylaws of the Company that adversely affects such Securityholder relative to BLUM, other than (x) an increase in the authorized capital stock of the Company, or (y) amendments made in connection with any reorganization of the Company effected to facilitate an Initial Public Offering or the acquisition of the Company by merger or consolidation (provided that in such reorganization or acquisition each share of each class or series of capital stock held by the Non-BLUM Parties is treated the same as each share of the same class or series of capital stock held by BLUM; provided, however that, subject to compliance with applicable law, in the event that the one or more of the other

corporations or entities that is a party to such an acquisition notifies the Company that it will require the structure of such acquisition to be treated as a recapitalization for financial accounting purposes and that it will require the Company to no longer be subject to the reporting requirements or Section 14 of the Exchange Act after the closing date of the acquisition, then, solely to the extent deemed necessary by such other corporation or entity to satisfy such requirements, the consideration per

share the Non-BLUM Parties shall be entitled to receive with respect may be a different kind than the consideration per share BLUM shall be entitled to receive).

(b) In order to effectuate Section 4.5(a), each Non-BLUM Party that is a Class B Securityholder hereby grants to BLUM an irrevocable proxy, coupled with an interest, to vote, during the period specified in Section 4.5(a) above, all of the shares of voting capital stock of the Company owned by the grantor of the proxy in the manner set forth in Section 4.5(a).

4.6. General Consent Rights.

Notwithstanding anything to the contrary stated herein, prior to an Initial Public Offering, neither the Company nor any of its Subsidiaries shall take any of the following actions without the prior affirmative vote or written consent of (a) a majority of the directors of the Company, and (b) a majority of the directors of the Company that are not BLUM Directors:

(i) any transaction between (x) BLUM or any of its Affiliates and (y) the Company or any of its Subsidiaries, other than a transaction (A) with another portfolio company of BLUM of any of its Affiliates that has been negotiated on arms-length terms in the ordinary course of business between the managements of the Company or any of its Subsidiaries and such other portfolio company, (B) with respect to which the Securityholders may exercise their rights under Section 2.6 of this Agreement or (C) specifically contemplated by the Merger Agreement;

(ii) any amendment to the Certificate of Incorporation or Bylaws of the Company that adversely affects any Securityholder relative to either BLUM Fund, other than (x) an increase in the authorized capital stock of the Company, or (y) amendments made in connection with any reorganization of the Company effected to facilitate an Initial Public Offering or the acquisition of the Company by merger or consolidation (provided that in such reorganization or acquisition each share of each class or series of capital stock held by the Non-BLUM Parties is treated the same as each share of the same class or series of capital stock held by either BLUM Fund; provided, however that, subject to compliance with
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applicable law, in the event that the one or more of the other corporations or entities that is a party to such an acquisition notifies the Company that it will require the structure of such acquisition to be treated as a recapitalization for financial accounting purposes and that it will require the Company to no longer be subject to the reporting requirements or Section 14 of the Exchange Act after the closing date of the acquisition, then, solely to the extent deemed necessary by such other corporation or entity to satisfy such requirements, the consideration per share the Non-BLUM Parties shall be entitled to receive with respect may be a different kind than the consideration per share either BLUM Fund shall be entitled to receive); or

(iii) repurchase or redeem, or declare or pay a dividend with respect to or make a distribution upon, any shares of capital stock of the Company beneficially owned by BLUM or any of its Affiliates, unless (x) such repurchase, redemption dividend or distribution is made pro rata among all holders of such class of capital stock (or, in the case of a repurchase or redemption, all of the Non-BLUM Parties are given a proportionate right to participate in such repurchase or redemption (to the extent they own shares of such class of capital stock)) or (y) if such capital stock is not Common Stock, such repurchase, redemption or dividend is required by the terms of such capital stock.

4.7. Consent Rights of FS Director.

Notwithstanding anything to the contrary stated herein, prior to an Initial Public Offering, for so long as the FS Entities shall be entitled to appoint the FS Director pursuant to Section 4.1 hereto, neither the Company nor any of its Subsidiaries shall take any of the following actions without the prior affirmative vote or written consent of (x) a majority of the directors of the Company, and (y) the FS Director:

(a) the acquisition by purchase or otherwise, in any single or series of related transactions, of any business or assets for a Purchase Price in excess of $75 million; provided, however that this Section 4.7(a) shall not
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apply to (i) the acquisition of any business or asset by an investment fund that is controlled by the Company or any of its Subsidiaries in connection with the ordinary course conduct of the investment advisory and management business of the Company or any of its Subsidiaries, or (ii) acquisitions in connection with the origination of mortgages by the Company or any of its Subsidiaries;

(b) the sale or other disposition, in any single or series of related transactions, of assets of the Company or its Subsidiaries for aggregate consideration having a Fair Market Value in excess of $75 million; provided, however that this Section 4.7(b) shall not apply to (i) the sale
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of other disposition of any business or asset by an investment fund that is controlled by the Company or any of its Subsidiaries in connection with the ordinary course conduct of the investment advisory and management business of the Company or any of its Subsidiaries, or (ii) sales or dispositions in connection with the origination of mortgages by the Company or any of its Subsidiaries;

(c) incur Indebtedness, unless such Indebtedness would (i) be permitted pursuant to the terms of the documents governing the senior and senior subordinated Indebtedness entered into by the Company and CBRE in connection with the closing of the Merger as in effect on the Closing Date of the Merger (including any refinancing or replacement of such Indebtedness in an equal or lesser aggregate principal amount) or (ii) immediately following such incurrence the ratio of (x) the consolidated Indebtedness of the Company and its subsidiaries determined in accordance with United States generally accepted accounting principles applied in a manner consistent with the Company's consolidated financial statements to (y) the Twelve-Month Normalized EBITDA, does not exceed 4.5:1; or

(d) issue capital stock of the Company (or options, warrants or other securities to acquire capital stock of the Company) to employees, directors or consultants of the Company or any of its Subsidiaries if such issuances, in the aggregate, exceed 5% of the total amount of outstanding capital stock of the Company immediately after the Closing on a fully diluted basis (i.e., assuming the exercise, exchange or conversion of all Equity Securities that are exercisable, exchangeable or convertible into Common Stock), other than (i) issuances to employees, directors or consultants of the Company and its Subsidiaries of up to 25% of the capital stock of the Company on a fully-diluted basis within six (6) months of the closing of the Merger and (ii) issuances in amounts equal to the capital stock of the Company repurchased by the Company from, or the options, warrants or other securities to acquire capital stock cancelled by the Company or its Subsidiaries or terminated or expired without prior exercise with respect to, Persons who, at the time of such repurchase, cancellation, termination or expiration, were current or former employees, directors or consultants of the Company or its Subsidiaries.

4.8. Board of Directors of CBRE.

Prior to an Initial Public Offering, the Company agrees to cause the Board of Directors of CBRE (the "CBRE Board") to be comprised of the same
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individuals as comprise the Board pursuant to Section 4.1 of this Agreement.

V OTHER AGREEMENTS

5.1. Financial Information.

(a) Within 90 days after the end of each fiscal year of the Company, the Company will furnish each Securityholder who is a Material Securityholder a consolidated balance sheet of the Company, as at the end of such fiscal year, and a consolidated statement of income and a consolidated statement of cash flows of the Company, for such year, all prepared in accordance with generally accepted accounting principles consistently applied and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail. Such financial statements shall be accompanied by a report and opinion thereon by independent public accountants of national standing selected by the Board.

(b) The Company will furnish each Securityholder who is a Material Securityholder within 45 days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, a consolidated balance sheet of the Company as of the end of each such quarterly period, and a consolidated statement of income and a consolidated statement of cash flows of the Company for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles, with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made.

(c) The Company will furnish each Securityholder who is a Material Securityholder any monthly financial statements of the Company that are provided to the Board no later than five (5) days after the day upon which first furnished to the Board.

5.2. Inspection Rights.

Each Securityholder who is a Material Securityholder shall have the right to visit and inspect any of the books, records and properties of the Company or any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its Subsidiaries with its officers and independent aviators, and to review such information as is reasonably requested, all at such reasonable times and as often as may be reasonably requested.

5.3. Confidentiality of Records.

Each Securityholder agrees to use, and to use all reasonable efforts to insure that its authorized representatives use, the same degree of care as such Securityholder uses to protect its own confidential information to keep confidential any information furnished to it which the Company identifies as being confidential or proprietary (so long as such information is not in the public domain); provided, however, that any Securityholder may disclose such confidential or proprietary information without the prior written consent of the other parties hereto (i) to any "Related Party" (as defined below) for the purpose of evaluating an investment in the Company so long as such Related Party is advised of the confidentiality provisions of this Section 5.3 and agrees to comply with such provisions, (ii) if such information is publicly available or (iii) if disclosure is requested or compelled by legal proceedings, subpoena, civil investigative demands or similar proceedings, (iv) if such information was obtained by such Securityholder either independently without breaching this Section 5.3, or from a party not known to such Securityholder to be subject to a confidentiality agreement or (v) to any proposed transferee of Restricted Securities from a Securityholder for the purpose of evaluating an investment in the Company so long as such proposed transferee either executes and delivers to the Company a confidentiality agreement with terms no less favorable to the Company than those set forth in this Section 5.3 or is advised of the confidentiality provisions of this Section 5.3 and agrees in a signed writing delivered to the Company to comply with such provisions. Any Securityholder who provides proprietary or confidential information to a Related Party shall be liable for any breach by such Related Party of the confidentiality provisions of this Section 5.3. For purposes of this Section 5.3, "Related Party" shall mean, with respect to any Securityholder, (A) any partner, member, director, officer or employee of such Securityholder or (B) any Affiliate of such Securityholder.

5.4. Indemnification.

(a) The Company shall indemnify and hold harmless (x) each Securityholder and each of their respective Affiliates and any controlling Person of any of the foregoing, (y) each of the foregoing's respective directors, officers, employees and agents and (z) each of the heirs, executors, successors and assigns of any of the foregoing from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities including, without limiting the generality of the foregoing, liabilities for all reasonable attorneys' fees and expenses (including attorney and expert fees and expenses incurred to enforce the terms of this Agreement) (collectively, "Losses and Expenses"), but excluding in each case any special or consequential damages except to the extent part of any governmental or other third party claims against the indemnified party, suffered or incurred by any such indemnified Person or entity to the extent arising from, relating to or otherwise in respect of, any governmental or other third party claim

against such indemnified Person that arises from, relates to or is otherwise in respect of (i) the business, operations, liabilities or obligations of the Company or its Subsidiaries or (ii) the ownership by such Securityholder or any of their respective Affiliates of any equity securities of the Company (except to the extent such Losses and Expenses (x) arise from any claim that such indemnified Person's investment decision relating to the purchase or sale of such securities violated a duty or other obligation of the indemnified Person to the claimant or (y) are finally determined in a judicial action by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Securityholder or its Affiliates) including, without limitation, any Losses and Expenses arising from or under any federal, state or other securities law. The indemnification provided by the Company pursuant to this Section 5.4 is separate from and in addition to any other indemnification by the Company to which the indemnified Person may be entitled, including, without limitation, pursuant to the Certificate of Incorporation, the Bylaws, any indemnification agreements with the Company and Section 3.9 hereto.

(b) With respect to third-party claims, all claims for

indemnification by an indemnified Person (an "Indemnified Party") hereunder
shall be asserted and resolved as set forth in this Section 5.4. In the event that any written claim or demand for which the Company would be liable to any Indemnified Party hereunder is asserted against or sought to be collected from any Indemnified Party by a third party, such Indemnified Party shall promptly notify the Company in writing of such claim or demand (the "Claim Notice"), provided that the failure to promptly provide a Claim Notice will not affect an

Indemnified Party's right to indemnification except to the extent such failure materially prejudices the Company. The Company shall have twenty (20) days from the date of receipt of the Claim Notice (the "Notice Period") to notify the Indemnified Party (i) whether or not the Company disputes the liability of the Company to the Indemnified Party hereunder with respect to such claim or demand and (ii) whether or not it desires to defend the Indemnified Party against such claim or demand. All costs and expenses incurred by the Company in defending such claim or demand shall be a liability of, and shall be paid by, the Company. Except as hereinafter provided, in the event that the Company notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against such claim or demand, the Company shall have the right to defend the Indemnified Party by appropriate proceedings and shall have the sole power to direct and control such defense; provided, however, that (1) if the Indemnified Party reasonably determines that there may be a conflict between the positions of the Company and of the Indemnified Party in conducting the defense of such claim or that there may be legal defenses available to such Indemnified Party different from or in addition to those available to the Company, then counsel for the Indemnified Party shall be entitled to conduct the defense at the expense of the Company to the extent reasonably determined by such counsel to be necessary to protect the interests of the Indemnified Party and (2) in any event, the Indemnified Party shall be entitled at its cost and expense to have counsel chosen by such Indemnified Party participate in, but not conduct, the defense. The Indemnified Party shall not settle a claim or demand without the consent of the Company. The Company shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any such claim or demand on a basis which would result in the imposition of a consent order, injunction or decree which would restrict the future activity or conduct of the Indemnified Party or any Subsidiary or Affiliate thereof or if such settlement or compromise does not include an unconditional release of the Indemnified Party for any liability arising out of such claim or demand. If the Company elects not to defend the

Indemnified Party against such claim or demand, whether by not giving the Indemnified Party timely notice as provided above or otherwise, then the amount of any such claim or demand or, if the same be contested by the Indemnified Party, that portion thereof as to which such defense is unsuccessful (and the reasonable costs and expenses pertaining to such defense) shall be the liability of the Company hereunder. The Indemnified Party and Company shall each render to each other such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such claim or proceeding.

(c) If the indemnification provided for in this Section 5.4 is unavailable or insufficient to hold harmless an Indemnified Party under this Section 5.4, then the Company, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of the Losses and Expenses referred to in this Section 5.4: (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Indemnified Party from the matter giving rise to indemnification hereunder or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Indemnified Party in connection with the matter that resulted in such Losses and Expenses, as well as any other relevant equitable considerations. Relative fault shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the matter giving rise to such Losses and Expenses.

(d) The parties agree that it would not be just and equitable if contributions pursuant to Section 5.4(c) were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the first sentence of Section 5.4(c). The amount paid by any indemnified party as a result of the losses, claims, damages or liabilities, or actions in respect thereof, referred to in the first sentence of Section 5.4(c) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigation, preparing to defend or defending against any claim which is the subject of Section 5.4.

(e) As long as it is reasonably attainable at a reasonable price, the Company will maintain directors' and officers' insurance in an amount to be determined in good faith by the Company's board of directors to be consistent

with insurance provided to officers and directors of comparable companies.

VI MISCELLANEOUS

6.1. Additional Securities Subject to Agreement.

(a) Subject to the following sentence, each Securityholder agrees that any other equity securities of the Company which they hereafter acquire by means of a stock split, stock dividend, distribution, exercise or conversion of securities or otherwise will be subject to the provisions of this Agreement to the same extent as if held on the date hereof. Notwithstanding anything to the contrary stated herein, this Agreement (other than Article IV, it being understood that Wirta and White will vote all such equity securities in accordance with Article IV even if they are not otherwise subject to this Agreement) shall not apply to any shares of Common Stock

or any options to acquire Common Stock granted to, or purchased by, Wirta or White, which are subject to the terms of a subscription agreement with the Company (the "Management Securities"), and any references to Common Stock or Equity Securities held or beneficially owned by Wirta or White shall not include any Management Securities other than for purposes of Article IV hereof.

6.2. Term.

This Agreement will be effective from and after the date hereof and will terminate with respect to the provisions referred to below as follows: (i) with respect to Sections 4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 5.1 and 5.2, upon completion of an IPO; (ii) with respect to Sections 2.1(b), 2.2, 2.3, 2.4, 2.5 and 2.6, upon the expiration of the Restricted Period; (iii) with respect to Article III (other than Sections 3.9 and 3.14) at such time as set forth in Section 3.7; (iv) with respect to Sections 3.9 and 5.4, upon the expiration of the applicable statutes of limitations; and (iv) with respect to all Sections (other than Sections 3.9, 3.14 and 5.4), upon (A) the sale of all or substantially all of the equity interests in the Company to a Third Party whether by merger, consolidation or securities or otherwise, or (B) approval in writing by BLUM, the FS Parties and the holders of a majority of the shares of Common Stock owned by the following Persons voting as a group: the Management Parties, the Note Investor Parties and the Other Non-Management Parties.

6.3. Notices.

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the addresses set forth below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 6.3):

(a) If to the Company or to CBRE:

CB Richard Ellis Services, Inc.
200 North Sepulveda Blvd.
El Segundo, CA 90245-4380
Attn: Walter Stafford, General Counsel
Fax: (415) 733-5555

with a copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

[counsel to the Company]

with an additional copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

Simpson Thacher & Bartlett
3330 Hillview Avenue
Palo Alto, CA 94304
Attn: Richard Capelouto
Fax: (650) 251-5002

(b) If to BLUM or any of its Affiliates:

c/o BLUM Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, CA 94133

Attn: Murray A. Indick, General Counsel
Fax: (415) 434-3130

with a copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

Simpson Thacher & Bartlett
3330 Hillview Avenue
Palo Alto, CA 94304
Attn: Richard Capelouto
Fax: (650) 251-5002

(c) If to any of the FS Parties or any of their Affiliates:

c/o Freeman Spogli & Co., Inc.
11100 Santa Monica Blvd., Suite 1900
Santa Monica, CA 90025
Attn: J. Frederick Simmons
Fax: (310) 444-1870

with a copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

Riordan & McKinzie
California Plaza
29th Floor, 300 South Grand Ave.
Los Angeles, CA 90071
Attn: Roger H. Lustberg
Fax: (213) 229-8550

(d) If to any of the Management Parties or Koll, to the address set forth below their name on the signature pages to this Agreement, with a copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

O'Melveny & Myers LLP
610 Newport Center Drive, 17/th/ Floor
Newport Beach, CA 92660-6429
Attn: Gary J. Singer
Fax: (949) 823-6994

(e) If to Malek:

c/o Thayer Capital Partners
1455 Pennsylvania Avenue, N.W., Suite 350
Washington, D.C. 20004
Fax: (202) 371-0391

with a copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

Kirkland & Ellis
655 Fifteenth Street, N.W.
Suite 1200
Washington, D.C. 20005
Attn: Terrance Bessey
Fax: (202) 879-5200

(f) If to any of the Note Investor Parties:
DLJ Investment Funding, Inc.
277 Park Avenue
New York, New York 10172
Attn: Joseph Ehrlich
Fax: (212) 892-0064

with a copy to (which copy shall not be deemed notice pursuant to this Section 6.3):

Cahill Gordon & Reindel
80 Pine Street
New York, NY 10005-1702
Attn: John J. Schuster
Fax: (212) 269-5420

6.4. Further Assurances.

The parties hereto will sign such further documents, cause such meetings to be held, resolutions passed, exercise their votes and do and perform and cause to be done such further acts and things as may be necessary in order to give full effect to this Agreement and every provision hereof.

6.5. Non-Assignability.

This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any party hereto without the express prior written consent of the other parties, and any attempted assignment, without such consents, will be null and void; provided, however, that with respect to any Person who acquires any Restricted Securities from any Securityholder in compliance with the terms hereunder: (a) such Securityholder making such Transfer shall, prior to such Transfer, furnish to the Company written notice of the name and address of such transferee, and (b)(i) in the case of any Transfer from BLUM or Blum Strategic, (A) if such Person acquires a majority of the Common Stock beneficially owned by BLUM or Blum Strategic respectively, BLUM or Blum Strategic, as the case may be, shall have the right to assign to such Person all of the rights and obligations of BLUM or Blum Strategic, as the case may be, hereunder, (B) if such Person acquires less than a majority of the Common Stock beneficially owned by BLUM or Blum Strategic, such Person shall assume and be entitled to all of the rights and obligations of a BLUM Holder under Article III hereof, and (C) in any case, such Person shall execute and deliver to the Company an Assumption Agreement and assume and be entitled to all of the rights and obligations of a Holder hereunder, (ii) in the case of an assignment by BLUM of its rights pursuant to Section 2.2 hereto, such assignee or assignees shall assume and be entitled to all of the rights and obligations of a BLUM Holder under Article III hereof and shall execute and deliver to the Company an Assumption Agreement and assume and be entitled to all of the rights and obligations of a Holder hereunder, (iii) in the case of any Transfer from any of the FS Parties, (A) such Person shall assume all of the rights and obligations of an FS Party hereunder and shall execute and deliver to the Company an Assumption Agreement, and (B) in addition, if such Person acquires a majority of the Common Stock beneficially owned by the FS Entities at the time of such transfer and following such acquisition such Person beneficially owns at least 10% of the outstanding Common Stock, the FS Entities shall have the right to assign to such Person all of the rights and obligations of the FS Entities under Section IV of this Agreement, (iv) in the case of any Transfer from a Note Investor Party, such Person shall assume and be entitled to all of the rights and obligations of a Note Investor Party hereunder and execute and deliver to the Company an Assumption Agreement, (v) in the case of any Transfer from an Other Non-Management Party, such Person shall assume and be entitled to all of the rights and obligations of an Other Non-Management Party hereunder and execute and deliver to the Company an Assumption Agreement, and (vi) in the case of any Transfer from a Management Party, such Person shall assume and be entitled to all of the rights and obligations of a Management Party hereunder and execute and deliver to the Company an Assumption Agreement.

6.6. Amendment; Waiver.

This Agreement may be amended, supplemented or otherwise modified only by a written instrument executed by (a) the Company, (b) BLUM, so long as BLUM and its Affiliates own in the aggregate more Common Stock than the aggregate amount of Common Stock owned by any other Person and its Affiliates, and (c) the holders of a majority of the Restricted Securities held by the Securityholders; provided, however that no such amendment, supplement or modification shall adversely affect (i) the FS Parties relative to either BLUM fund without the prior written consent of the holders of a majority of the Restricted Securities held by the FS

Parties at such time, (ii) the Note Investor Parties relative to either BLUM Fund without the prior written consent of the holders of a majority of the shares of the Restricted Securities held by the Note Investor Parties at such time, (iii) the Other Non-Management Parties relative to either BLUM Fund without the prior written consent of the holders of a majority of the shares of Common Stock held by the Other Non-Management Parties at such time, and (iV) the Management Parties relative to either BLUM Fund without the prior written consent of the holders of a majority of the shares of Common Stock held by the Management Parties at such time; provided, further that no such amendment, supplement or modification shall amend or modify in a manner adverse to Note Investors the agreements herein to which the Class B Securityholders are subject with respect to the voting of shares of voting capital stock without the prior written consent of the holders of a majority of the Restricted Securities held by the Note Investor Parties at such time. No waiver by any party of any of the provisions hereof will be effective unless explicitly set forth in writing and executed by the party so waiving. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, will be deemed to constitute a waiver by the party taking such action of compliance with any covenants or agreements contained herein. The waiver by any party hereto of a breach of any provision of this Agreement will not operate or be construed as a waiver of any

subsequent breach.

6.7. Third Parties.

This Agreement does not create any rights, claims or benefits inuring to any Person that is not a party hereto nor create or establish any third party beneficiary hereto.

6.8. Governing Law.

This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, applicable to contracts executed and to be performed entirely within that state.

6.9. Specific Performance.

Without limiting or waiving in any respect any rights or remedies of the parties hereto under this Agreement now or hereinafter existing at law or in equity or by statute, each of the parties hereto will be entitled to seek specific performance of the obligations to be performed by the other in accordance with the provisions of this Agreement.

6.10. Entire Agreement.

This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof.

6.11. Titles and Headings.

The section headings contained in this Agreement are for reference purposes only and will not affect the meaning or interpretation of this Agreement.

6.12. Severability.

If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement will not be affected and will remain in full force and effect.

6.13. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same instrument.

6.14. Ownership of Shares.

Whenever a provision of this Agreement refers to shares of Common Stock owned by a Securityholder or owned by a Securityholder and its Affiliates, such provision shall be deemed to refer to those shares owned of record by such Securityholder or such Securityholder and its Affiliates, as applicable, and shall not be deemed to include other Restricted Securities that such Securityholder (or such Securityholder and its Affiliates, if applicable) may be deemed to beneficially own due to the provisions of this Agreement and/or any other agreements, arrangements or understandings among the parties hereto relating to the voting or Transfer of Restricted Securities.

6.15 BLUM Affiliates.

BLUM and Blum Strategic hereby acknowledge that they are Affiliates of each other for purposes of this Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

CBRE HOLDING, INC.

By: _____
Name:
Title:

CB RICHARD ELLIS SERVICES, INC.

By: _____
Name:
Title:

RCBA STRATEGIC PARTNERS, L.P.

By: RCBA GP, L.L.C., its general partner

By: _____
Name:
Title:

BLUM STRATEGIC PARTNERS, L.P.

By: [, L.L.C.], its general partner

By: _____
Name:
Title:

FS EQUITY PARTNERS III, L.P.

By: FS Capital Partners, L.P., its general Partner

By: FS Holdings, Inc., its general partner

By: _____
Name:

Title:

FS EQUITY PARTNERS INTERNATIONAL, L.P.

By: FS&Co. International, L.P., its general Partner

By: FS International Holdings Limited, its general partner

By: _____
Name:
Title:

DLJ INVESTMENT FUNDING, INC.

By: DLJ Investment Funding, Inc., its managing general partner

By: _____
Name:
Title:

[OTHER NOTE INVESTORS]

THE KOLL HOLDING COMPANY

_____
By: Donald M. Koll

_____
Frederic V. Malek

MANAGEMENT INVESTORS:

_____
Raymond E. Wirta

_____

W. Brett White

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Securityholders' Agreement among CBRE Holding, Inc., CB Richard Ellis Services, Inc., RCBA Strategic Partners, L.P., Blum Strategic Partner, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., DLJ Investment Funding, Inc., [Other Note Investors] The Koll Holding Company, Frederic V. Malek and the Management Investors named therein, I, Kathi Koll, the spouse of Donald M. Koll, do hereby join with my spouse in executing the foregoing Securityholders' Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of July [20], 2001

_____
Kathi Koll

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Securityholders' Agreement among CBRE Holding, Inc., CB Richard Ellis Services, Inc., RCBA Strategic Partners, L.P., Blum Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., DLJ Investment Funding, Inc., [Other Note Investors] The Koll Holding Company, Frederic V. Malek and the Management Investors named therein, I, Marlene Malek, the spouse of Frederic V. Malek, do hereby join with my spouse in executing the foregoing Securityholders' Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of July [20], 2001

_____
Marlene Malek

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Securityholders' Agreement among CBRE Holding, Inc., CB Richard Ellis Services, Inc., RCBA Strategic Partners, L.P., Blum Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., DLJ Investment Funding, Inc., [Other Note Investors], The Koll Holding Company, Frederic V. Malek and the Management Investors named therein, I, Sandra Wirta, the spouse of Raymond E. Wirta, do hereby join with my spouse in executing the foregoing Securityholders' Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of July [20], 2001

_____
Sandra Wirta

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Securityholders' Agreement among CBRE Holding, Inc., CB Richard Ellis Services, Inc., RCBA Strategic Partners, L.P., Blum Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., DLJ Investment Funding, Inc., [Other Note Investors], The Koll Holding Company, Frederic V. Malek and the Management Investors named therein, I, Danielle White, the spouse of W. Brett White, do hereby join with my spouse in executing the foregoing Securityholders' Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of July [20], 2001

_____
Danielle White

Exhibit A

FORM OF ASSUMPTION AGREEMENT

[DATE]

To the Parties to the Securityholders' Agreement dated as of July [20], 2001

Dear Sirs or Madams:

Reference is made to the Securityholders' Agreement, dated as of July [20], 2001 (the "Securityholders' Agreement"), among CBRE Holding, Inc., CB Richard Ellis Services, Inc., RCBA Strategic Partners, L.P., Blum Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, DLJ Investment Funding, Inc., [Other Note Purchasers], The Koll Holding Company, Frederic V. Malek, and the individuals identified on the signature pages thereto as "Management Investors."

In consideration of the representations, covenants and agreements contained in the Securityholders' Agreement, the undersigned hereby confirms and agrees that it shall be bound by all or certain of the provisions thereof in the manner set forth in Section 6.5 thereto.

This Assumption Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, applicable to contracts executed and to be performed entirely within that state.

Very truly yours,

[Transferee]

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Assumption Agreement with respect to the Securityholders' Agreement among CBRE Holding, Inc., CB Richard Ellis Services, Inc., RCBA Strategic Partners, L.P., Blum Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., DLJ Investment Funding, Inc., [Other Note Purchasers], The Koll Holding Company, Frederic V. Malek and the Management Investors named therein,

I, _____, the spouse of [Transferee], do hereby join with my spouse in executing the foregoing Assumption Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ ____, 20__ _____
[Spouse]

Exhibit 4.3

DESIGNATED MANAGER SUBSCRIPTION AGREEMENT

DESIGNATED MANAGER SUBSCRIPTION AGREEMENT, dated as of July 13, 2001 between CBRE Holding, Inc., a Delaware corporation formerly known as BLUM CB Holding Corp. (the "Company"), and the individual named on the signature page hereto (the "Purchaser"). All capitalized terms used in this Agreement shall have the meanings set forth in Exhibit A hereto.

1. Subscription for and Purchase of Directly Owned Class A Common Stock.

1.1. Purchase of Directly Owned Class A Common Stock.

(a) Pursuant to the terms and subject to the conditions set forth in this Agreement, the Purchaser hereby subscribes for and agrees to purchase, and the Company hereby agrees to issue and sell to the Purchaser, on the Closing Date (as defined in Section 1.3), the number of shares of Directly Owned Class A Common Stock set forth on Schedule I hereto at a price of $16.00 per share and for the aggregate amount and forms of consideration (the "Total Purchase Price") set forth on Schedule I hereto. Notwithstanding the foregoing, in the event that the offering for Directly Owned Class A Common Stock is over-subscribed, the Company, in its sole discretion, reserves the right to reduce the number of shares available for purchase by the Purchaser from the number of shares subscribed for on Schedule I hereto. In the event the offering is over-subscribed, the Company will deliver to the Purchaser the reduced number of shares available and a check equal to the difference of (i) the Total Purchase Price as set forth on Row 5 of Schedule I and (ii) the actual purchase price of the shares delivered to the Purchaser. For the Purchaser to properly subscribe pursuant to this Section 1.1, (a) the Purchaser must properly complete Schedule I (attached hereto) and execute this Agreement, and (b) the Company must receive from the Purchaser either by fax or mail (at the number or address indicated in Section 4.9 hereto) both the properly completed Schedule I and this executed Agreement no later than 5:00 p.m. Los Angeles time on July 13, 2001.

(b) The Purchaser may pay the Total Purchase Price using any combination of the following methods of payment: (i) assignment of all or a portion of the net cash proceeds to be received by the Purchaser in the Merger in respect of shares of CB Richard Ellis Services Common Stock owned of record by the Purchaser; (ii) assignment of all or a portion of the cash proceeds net of withholding tax, to be received by the Purchaser in respect of options to acquire shares of CB Richard Ellis Services common stock that are validly tendered to CB Richard Ellis Services pursuant to its offer to purchase such options; (iii) subject to the conditions contained in Section 1.4(a)(iv) hereto, execution and delivery of a full-recourse note; and (iv) payment of cash. In the event that either the Assigned Merger Proceeds, as defined in Section 1.7(a) hereto, or the Assigned Options Proceeds, as defined in Section 1.7(b) hereto, is less than the amount indicated on Row 12 and 15 of Schedule I, respectively, the Purchaser agrees to pay promptly, and in any event within 2 business days upon demand, the shortfall to the Company in cash.

1.2. Limitations Regarding Sales of Directly Owned Class A Common Stock.

Notwithstanding anything in this Agreement to the contrary, the Company shall have no

obligation to issue, sell or deliver any shares of Directly Owned Class A Common Stock pursuant to this Agreement to any person (i) who is not a full-time employee of CB Richard Ellis Services or any of its Subsidiaries on the Closing Date or (ii) who is a resident of a jurisdiction in which such issuance, sale or delivery to such person would constitute a violation of the securities or "blue sky" laws of such jurisdiction.

1.3. The Closing.

The closing (the "Closing") of the purchase of Directly Owned Class A Common Stock hereunder shall take place at 9:00 a.m. New York City time on July 20, 2001 or at such later date and at such time as the Company shall direct on at least three business days' prior notice to the Purchaser (the "Closing Date"). The Closing shall occur at the principal offices

of the Company or at such other place as the parties may mutually agree. At the Closing, the Company will deliver to the Purchaser one or more certificates representing the number of shares of Directly Owned Class A Common Stock purchased by the Purchaser pursuant to this Agreement (the "New Certificates") using New Cash Consideration as defined in Section 1.4(a)(ii) hereto, against the Purchaser's (or the Purchaser's representative) prior delivery to the Company of each of the agreements, documents and forms of consideration set forth in Section 1.4(a)(i), (ii) and (iv) hereto applicable to the Purchaser. After the Closing, the Company will deliver to the Purchaser one or more New Certificates representing the number of shares of Directly Owned Class A Common Stock purchased by the assignment to the Company (pursuant to Section 1.7 hereto) of all or a portion of the proceeds that the Purchaser would be otherwise entitled to receive in the Merger for shares of CB Richard Ellis Services Common Stock, against the Purchaser's (or the Purchaser's representative) prior delivery to the Company of the form of consideration set forth in Section 1.4(a)(iii) hereto.

1.4. Conditions to the Obligations of the Parties.

(a) The obligations of the Company under this Section 1 shall be subject to each of the following conditions:

(i) the Purchaser shall have delivered to the Company on or prior to 5:00 p.m. Los Angeles time on July 13, 2001 a copy of this Agreement duly executed by Purchaser and, if applicable, his or her spouse, together with a properly completed Schedule I to this Agreement;

(ii) the Purchaser shall have delivered to the Company prior to the closing cash or a certified bank check in an amount equal to Row 9 of Schedule I (the "New Cash Consideration");

(iii) if the Purchaser is electing to pay all or a portion of the Total Purchase Price for shares of Directly Owned Class A Common Stock purchased hereby by the assignment to the Company (pursuant to Section 1.7 hereto) of all or a portion of the proceeds that the Purchaser would otherwise be entitled to receive in the Merger for shares of CB Richard Ellis Services Common Stock, the Purchaser shall deliver to the Company after the Closing (A) the certificate or certificates (the "Old Certificates") representing such CB Richard Ellis Services Common Stock upon Purchaser's receipt of a letter from the Company after the Closing requesting the delivery of such Old Certificates, and (B) an executed, undated stock power in the form of

Exhibit D hereto (a "Stock Power") with respect to the shares of CB Richard Ellis Services Common Stock represented by the Old Certificates;

(iv) if the Purchaser is electing to pay a portion of the Total Purchase Price for shares of Directly Owned Class A Common Stock purchased hereby by delivery of a full-recourse note, the Purchaser (x) must be purchasing the minimum number of shares of Directly Owned Class A Common Stock and/or shares of Class A Common Stock underlying stock fund units in the DCP Plan that is required for Purchaser to be eligible to use a Note (such amount having been communicated to Purchaser by either telephone or e-mail) and (y) shall have duly executed and delivered to the Company (A) a full-recourse note (the "Note") payable to the Company in an amount equal to Row 8 of Schedule I (the "Note Consideration"), which Note shall be in the form of Exhibit B hereto, (B) a Pledge Agreement (the "Pledge Agreement") in favor of the Company, pursuant to which the Purchaser shall pledge to the Company, among other things, shares of Directly Owned Class A Common Stock purchased hereby with an aggregate offering price equal to 200% of the principal amount of the Note, as security for the payment of the Note, and the Company shall thereafter hold on behalf of the Purchaser, among other things, the New Certificates representing such shares of Directly Owned Class A Common Stock, which Pledge Agreement shall be in the form of Exhibit C hereto, and (C) a Stock Power (in addition to any Stock Power delivered pursuant to clause (ii) above) with respect to the shares of Directly Owned Class A Common Stock represented by the New Certificates;

(v) if the Purchaser is married, or will be married on the Closing Date, the Purchaser's spouse shall have duly executed and delivered to the Company the "Consent of Spouse" page attached to this Agreement;

(vi) the closing of the Merger Agreement shall have occurred prior to, or be occurring substantially simultaneously with, the Closing; and

(vii) the representations and warranties of the Purchaser in Section 1.6 of this Agreement shall be true and correct as of the Closing Date in all material respects.

(b) The obligations of the Purchaser under this Section 1 shall be subject to each of the following conditions:

(i) the representations and warranties of the Company in Section 1.5 of this Agreement shall be true and correct as of the Closing Date in all material respects, and

(ii) the closing of the Merger Agreement shall have occurred prior to, or be occurring substantially simultaneously with, the Closing.

1.5. Representations and Warranties of the Company. The Company represents and warrants to the Purchaser as follows:

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary corporate and legal action by the Company, and no other corporate proceeding by the Company is necessary for the execution, delivery and performance by the Company of this Agreement. This Agreement has been duly executed and delivered by the Company and, assuming it is duly executed and delivered by the Purchaser, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(b) The Directly Owned Class A Common Stock to be issued to the Purchaser pursuant to this Agreement, when issued and delivered in accordance with the terms hereof, will be duly and validly issued and, upon receipt by the Company of the Total Purchase Price therefor, will be fully paid and nonassessable with no personal liability attached to the ownership thereof and will not be subject to any preemptive rights under the DGCL.

(c) The execution, delivery and performance by the Company of this Agreement will not (i) conflict with the certificate of incorporation or by-laws (or equivalent organizational documents) of the Company or any of its Subsidiaries, (ii) result in any breach of any terms or conditions of, or constitute a default under, any contract, agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or (iii) conflict with or violate any law, rule, regulation, ordinance, writ, injunction, judgment or decree applicable to the Company or any of its Subsidiaries or by which any of their assets may be bound or affected.

1.6. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Company as follows:

(a) He or she is competent to, and has sufficient capacity to, execute and deliver this Agreement, the Note (if used by the Purchaser) and the Pledge Agreement (if the Purchaser uses a Note) and to perform his or her obligations hereunder and thereunder (if applicable to the Purchaser).

(b) This Agreement has been, and simultaneously with the Closing, the Note and the Pledge Agreement (each if applicable to the Purchaser) will be, duly executed and delivered by the Purchaser.

(c) Assuming the due execution and delivery of this Agreement by the Company, this Agreement constitutes, and simultaneously with the Closing, the Note and Pledge Agreement (each if applicable to the Purchaser) will constitute, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of

general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(d) The execution, delivery and performance of this Agreement, the Note (if applicable to the Purchaser) and the Pledge Agreement (if applicable to the Purchaser) by the Purchaser will not (i) conflict with or violate any law, rule, regulation, ordinance, writ, injunction, judgment or decree applicable to the Purchaser or by which any of his or her assets may be bound or affected or (ii) result in any breach of any terms or conditions of, or constitute a default under, any contract, agreement or instrument to which the Purchaser is a party or by which the Purchaser is bound.

(e) The Purchaser is the owner of record of the total number of outstanding shares of CB Richard Ellis Services Common Stock indicated on Row 10 of Schedule I.

(f) The Purchaser acknowledges and agrees that the Transfer of any of the shares of Directly Owned Class A Common Stock purchased by the Purchaser at the Closing and, pursuant to Section 4.2 hereto, other Securities that the Purchaser shall hereafter acquire, shall be subject to restrictions and limitations, including, without limitation, those restrictions set forth in Sections 2.1 (Transfers to be Made Only as Permitted or Required by this Agreement), 2.2 (Permitted Transfers), 2.4 (Legend on Securities), 2.5 (Co-Sale Rights), 2.7 (Required Sale Right), 2.8 (Company Right of Repurchase on Unvested Shares), 2.9 (Sale Right) and 3.1 (Holdback Agreement).

(g) The Purchaser has received a copy of the Prospectus and has read all of the Prospectus, including the section therein titled "Risk Factors."

(h) As of the date hereof and as of the Closing Date, the Purchaser is buying for investment purposes only and has no immediate plan or intention to transfer his or her shares of Directly Owned Class A Common Stock following the Closing.

1.7. Assignment of Certain Proceeds to the Company.

(a) Subject to the provisions of this Section 1.7(a), the Purchaser hereby irrevocably assigns to the Company the right to receive the amount of the Purchaser's Merger Proceeds set forth in Row 12 of Schedule I hereto, if any (the "Assigned Merger Proceeds"), otherwise payable at the Effective Time. Pursuant to the terms of this Agreement, the parties agree that, at the Effective Time, the Assigned Merger Proceeds assigned to the Company shall be applied to the payment on behalf of the Purchaser of all or a portion of the Total Purchase Price as the case may require. As a result of this Section 1.7(a), the Assigned Merger Proceeds shall, at the Effective Time, become the property of the Company. In lieu of the delivery to the Purchaser of the Assigned Merger Proceeds, the Company shall return or cause to be returned to the Purchaser, and the Purchaser shall be entitled to receive, subject to the terms and conditions of this Agreement, the New Certificates. Notwithstanding the foregoing, this assignment shall not restrict in any manner the Purchaser's ability to exercise voting rights with respect to the shares in his or her sole discretion, or his or her ability to transfer or sell the shares in his or her sole discretion. In the event that the Purchaser transfers or sells the shares in

his or her sole discretion at any time, the assignment will be deemed revoked automatically and the Purchaser agrees to deliver payment in cash in lieu of the Assigned Merger Proceeds.

(b) Subject to the provisions of this Section 1.7(b), the Purchaser hereby irrevocably assigns to the Company the right to receive the amount of the Purchaser's Options Proceeds set forth in Row 14 of Schedule I hereto, net of withholding tax, set forth in Row 15 of Schedule I hereto, if any (the "Assigned Options Proceeds"), otherwise payable at the Effective Time with respect to those CB Richard Ellis Services Options indicated by the Purchaser on his or her Options Payment Consent. Pursuant to the terms of this Agreement, the parties agree that, at the Effective Time, the Assigned Options Proceeds assigned to the Company shall be applied to the payment on behalf of the Purchaser of all or a portion of the Total Purchase Price as the case may require. As a result of this Section 1.7(b), the Assigned Options Proceeds shall, at the Effective Time, become the property of the Company. In lieu of the delivery to the Purchaser of the Assigned Options Proceeds, the Company shall return or cause to be returned to the Purchaser, and the Purchaser shall be entitled to receive, subject to the terms and conditions of this Agreement, the New Certificates. Notwithstanding the foregoing, this assignment shall not restrict in any manner the Purchaser's ability to withdraw his or her tender of such options as indicated on the Options Payment Consent. In the event that the Purchaser withdraws the Options Payment Consent at any time prior to the Effective Time, the assignment will be deemed revoked automatically and the Purchaser agrees to deliver payment in cash in lieu of the Assigned Merger Proceeds.

(c) If the Purchaser is assigning any of his or her Merger Proceeds to the Company pursuant to Section 1.7(a) hereto, the Purchaser agrees to deliver to the Company the Old Certificates after the Closing accompanied by a Stock Power, as set forth in Section 1.4(a)(iii). Do not send or deliver the Old Certificates to the Company at this time. The Company will send a separate letter requesting delivery of Old Certificates after the Closing as set forth in Section 1.4(a)(iii) hereto. If the Purchaser is assigning any of his or her Options Proceeds, net of withholding tax, to the Company pursuant to Section 1.7(b) hereto, the Purchaser agrees to complete, sign and deliver his or her Options Payment Consent prior to the Closing.

2. Transfers.

2.1. Transfers to be Made Only as Permitted or Required by this Agreement.

(a) Each of the Purchaser and his or her Permitted Transferees hereby agrees that he or she will not, directly or indirectly, Transfer any shares of Directly Owned Class A Common Stock unless such Transfer complies with the provisions of this Agreement.

(b) Each of the Purchaser and his or her Permitted Transferees hereby agrees that, except for Transfers pursuant to Sections 2.2(a)(iii), 2.5 and 2.7 hereof or Transfers in any Public Offering, no Transfer of any shares of Directly Owned Class A Common Stock prior to the Lapse Date shall occur unless such transferee (i) shall agree to be bound by, and become subject to, specified terms of this Agreement in accordance with the provisions of Section 4.5 hereof or (ii) is an Other Purchaser.

(c) Each of the Purchaser and his or her Permitted Transferees hereby agrees that neither the Purchaser nor any of his or her Permitted Transferees shall, without the prior written consent of the Company (which consent may be withheld by the Company in its absolute discretion), effect a Transfer of shares of Directly Owned Class A Common Stock prior to the Lapse Date, except for Transfers pursuant to Sections 2.2, 2.5, 2.7, 2.8 and 2.9 hereof or Transfers in any Public Offering.

2.2. Permitted Transfers. The Purchaser may Transfer any of the shares of Directly Owned Class A Common Stock beneficially owned by him or her (i) to his or her spouse, parent, descendant, step-child or step-grandchild or any executor, estate, guardian, committee, trustee or other fiduciary acting as such solely on behalf or solely for the benefit of any such spouse, parent, descendant, step-child or step-grandchild (collectively, a "Family Group"), (ii) to any trust, corporation, partnership or limited liability company, all of the beneficial interests in which shall be held, directly or indirectly, by such Purchaser and/or one or more of the Family Group of such Purchaser; provided, however, that during the period that any such trust, corporation, partnership or limited liability company holds any right, title or interest in any shares of Directly Owned Class A Common Stock, no Person other than the Purchaser or members of the Family Group of the Purchaser may be or become beneficiaries, stockholders, general partners or members thereof, (iii) to the Company, RCBA Strategic or any of its Affiliates or Freeman Spogli or any of their Affiliates, or (iv) to any Other Employee. Notwithstanding the foregoing, no Shares Subject to Repurchase may be transferred pursuant to either clause (iii) or (iv) of this Section 2.2. A transferee under Section 2.2(a)(i) or 2.2(a)(ii) is referred to as a "Permitted Transferee."

2.3. Void Transfers.

In the event of any purported Transfer of any Securities in violation of the provisions of this Agreement, such purported Transfer shall be void and of no effect and the Company shall not give effect to such Transfer.

2.4. Legend on Securities.

Each certificate representing shares of Directly Owned Class A Common Stock issued to any Stockholder shall bear the following legend on the face thereof:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SUBSCRIPTION AGREEMENT BETWEEN CBRE HOLDING, INC. AND THE PURCHASER (AS DEFINED IN THE SUBSCRIPTION AGREEMENT), A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER

DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT, INCLUDING RESTRICTIONS RELATING TO TRANSFER OF THE SECURITIES."

2.5. Co-Sale Rights.

(a) Prior to a Qualified Initial Public Offering, with respect to any proposed Transfer (other than as provided in Section 2.6) to any Non-RCBA Strategic Party by one or more Stockholders (in such capacity, the "Transferring Stockholders") of Common Stock constituting a majority of the outstanding Common Stock, whether pursuant to a merger, consolidation, share exchange, tender offer or otherwise (a "Majority Sale"), the Company agrees that, subject to Section 2.5(b) hereof, it will take all necessary actions to ensure that in such Majority Sale the Purchaser will have the right to Transfer to the proposed transferee or acquiring Person (a "Proposed Transferee") a number of shares of Directly Owned Class A Common Stock equal to at least the product (rounded down to the nearest whole number of shares) of (i) the quotient determined by dividing (A) the aggregate number of issued and outstanding shares of Directly Owned Class A Common Stock owned of record by the Purchaser on the closing date of the Majority Sale by (B) the aggregate number of issued and outstanding shares of Common Stock on the closing date of the Majority Sale and (ii) the total number of shares of Common Stock proposed to be directly or indirectly Transferred to the Proposed Transferee in the Majority Sale, at the same price per share and upon the same terms and conditions (including, without limitation, time of payment and form of consideration) as to be paid by and given to the Transferring Stockholders (such product, the "Co-Sale Amount"); provided, however, that for purposes of clause (ii) of this Section 2.5(a), all shares underlying unexercised Options and Shares Subject to Repurchase shall not be deemed to be issued and outstanding; provided, further, that subject to compliance with applicable law, in the event that the Proposed Transferee notifies the Company that it will require the structure of the transaction related to the proposed Majority Sale to be treated as a recapitalization for financial accounting purposes and that it will require the Company to no longer be subject to the reporting requirements or Section 14 of the Exchange Act after the closing date of the proposed Majority Sale, then, solely to the extent deemed necessary by the Proposed Transferee to satisfy such requirements, the Proposed Transferee may pay to the Purchaser consideration in the Majority Sale with respect to the shares of Directly Owned Class A Common Stock owned by him or her that differs from the form of consideration paid to one or more of the Transferring Stockholders.

(b) To the extent permitted under applicable law, in order to be entitled to the right set forth in Section 2.5(a) hereto, the Purchaser must agree to (i) make representations and warranties (and provide related indemnification) as to his or her individual Ownership of Directly Owned Class A Common Stock (and then only to the same extent such representations and warranties are severally given by the Transferring Stockholders with respect to their several Ownership of Common Stock), and (ii) agree to pay his or her pro rata share (based on the number of shares Transferred by each Stockholder in such Majority Sale) of any liability arising out of any representations, warranties, covenants or agreements of the Transferring Stockholders that survive the closing of such Majority Sale and do not relate to Ownership of Common Stock. If the Purchaser is a holder of Common Stock Equivalents and wishes to participate in a sale of Common Stock pursuant to Section 2.5(a), the Purchaser shall convert or exercise or exchange such number of Common Stock Equivalents into or for Directly Owned Class A Common Stock as may be required therefor on or prior to the closing date of the Majority Sale.

(c) Subject to the Purchaser's compliance with the terms of Section 2.5(b) hereto, if and to the extent the Proposed Transferee fails to purchase from the Purchaser on the closing date of the Majority Sale any portion of the Co-Sale Amount that Purchaser has properly exercised his or her right to Transfer pursuant to this Section 2.5, then the Company agrees to purchase from the Purchaser on the closing date of the Majority Sale a number of shares of Directly Owned Class A Common Stock beneficially owned by the Purchaser such that, after such purchase by the Company, the Purchaser shall have Transferred to the Company and the Proposed Transferee, to the extent applicable, an amount of shares of Directly Owned Class A Common Stock equal to such portion of the Co-Sale Amount that Purchaser has properly exercised his or her right to Transfer pursuant to this Section 2.5. The Purchaser agrees that this Section 2.5(c) shall be the sole and exclusive remedy of the Purchaser in the event that

the Proposed Transferee fails to purchase from the Purchaser on the closing date of the Majority Sale any portion of the Co-Sale Amount that Purchaser has properly exercised his or her right to Transfer pursuant to this Section 2.5.

2.6. Public Offerings. The provisions of Section 2.5 and Section 2.7 shall not be applicable to offers and sales of Securities in a Public Offering.

2.7. Required Sale Right.

(a) Prior to a Qualified Initial Public Offering, to the extent permitted under applicable law, if one or more Stockholders (in such capacity, the "Requiring Parties") agree to a Transfer of Common Stock constituting a Majority Sale to any Non-RCBA Strategic Party, then the Purchaser hereby agrees that, if requested by the Requiring Parties, he or she will Transfer to such transferee or acquiring Person (the "Purchasing Party") on the same terms and conditions (including, without limitation, time of payment and form of consideration, but subject to Section 2.7(b)) as to be paid and given to the Requiring Parties, the same portion (as determined by the immediately succeeding sentence) of the Purchaser's Directly Owned Class A Common Stock as is being Transferred by the Requiring Parties; provided, however, that subject to compliance with applicable law, in the event that the Purchasing Party notifies the Company that it will require the structure of the transaction related to the proposed Majority Sale to be treated as a recapitalization for financial accounting purposes and that it will require the Company to no longer be subject to the reporting requirements or Section 14 of the Exchange Act after the closing date of the proposed Majority Sale, then, solely to the extent deemed necessary by the Purchasing Party to satisfy such requirements, the Purchasing Party may pay to the Purchaser consideration in the Majority Sale with respect to the shares of Directly Owned Class A Common Stock owned by him or her that differs from the form of consideration paid to one or more of the Requiring Parties. The Purchaser can be required to Transfer pursuant to this Section 2.7 that number of shares of Directly Owned Class A Common Stock equal to the product obtained by multiplying (i) a fraction, (a) the numerator of which is the aggregate number of issued and outstanding shares of Directly Owned Class A Common Stock to be Transferred by the Requiring Parties and (b) the denominator of which is the aggregate number of issued and outstanding shares of Common Stock owned by the Requiring Parties at the time of the Transfer by (ii) the aggregate number of issued and outstanding shares of Directly Owned Class A Common Stock owned by the Purchaser.

(b) To exercise the right set forth in Section 2.7(a) hereto, the Requiring Parties must give written notice (the "Required Sale Notice") to the Purchaser of any proposed Majority Sale giving rise to the rights of the Requiring Parties set forth in Section 2.7(a) at least ten (10) calendar days prior to such Transfer. The Required Sale Notice will set forth the number of shares of Common Stock proposed to be so Transferred, the name of the Purchasing Party, the proposed amount and form of consideration and the other terms and conditions of the proposed Majority Sale. In connection with any such Transfer, the Purchaser shall be obligated only to (i) make representations and warranties (and provide related indemnification) as to his or her individual Ownership of Directly Owned Class A Common Stock (and then only to the same extent such representations and warranties are severally given by the Requiring Parties with respect to their several Ownership of Common Stock), and (ii) agree to pay his or her pro rata share (based on the number of shares Transferred by each Stockholder in such Majority Sale) of any liability arising out of any representations, warranties, covenants or agreements of the Requiring Parties that survive the closing of such Majority Sale and do not relate to Ownership of Common Stock. If the Transfer referred to in the Required Sale Notice is not consummated within 120 days from the date of the Required Sale Notice, the Requiring Parties must deliver another Required Sale Notice in order to exercise their rights under this Section 2.7 with respect to such Transfer or any other Transfer.

(c) The Company and the Purchaser each agree that any and all Requiring Parties shall be third party beneficiaries of this Section 2.7.

2.8. Company Right of Repurchase on Unvested Shares.

(a) If the Purchaser's employment with the Company and its Subsidiaries is terminated for any reason (including as a result of the death or disability of the Purchaser), the Purchaser shall be required to offer his or her Shares Subject to Repurchase for sale to the Company and accordingly the Company or its designated assignee shall have the option to purchase all or any portion (at the Company's option) of the Shares Subject to Repurchase held by the Purchaser and the Purchaser's Permitted Transferees by providing written notice of the election (including the number of Shares Subject to Repurchase to

be purchased, the identity of the purchaser, the purchase price for the Shares Subject to Repurchase as determined pursuant to Section 2.8(b) hereto and, if applicable, the net purchase price for the Securities to be paid to the Purchaser pursuant to Section 2.8(c) hereto) to the Purchaser and the Permitted Transferees (a "Repurchase Notice") no later than 180 days after termination of
Purchaser's employment with the Company and its Subsidiaries.

(b) If the Purchaser's employment with the Company and its Subsidiaries is terminated by the applicable employer for Cause or the Purchaser's employment with the Company and its Subsidiaries is voluntarily terminated by the Purchaser other than for Good Reason, then the purchase price per share for the Shares Subject to Repurchase pursuant to Section 2.8(a) or shares to be sold pursuant to Section 2.9, as applicable, will be the lower of Cost and Fair Market Value on the date of the Purchaser's termination of employment. If the Purchaser's employment with the Company and its Subsidiaries is terminated for any reason other than under circumstances in which the immediately preceding sentence applies, then the purchase price per share for the Shares Subject to Repurchase pursuant to Section 2.8(a) or shares to be sold pursuant to Section 2.9, as applicable, will be the Fair Market Value on the date

of Purchaser's termination of employment. The purchase price determined pursuant to this Section 2.8(b) is referred to as the "Repurchase Price."

(c) The completion of the purchase pursuant to Section 2.8(a) shall take place at the principal office of the Company on or prior to the thirtieth (30th) day after the giving of the Repurchase Notice. The repurchase price for the Shares Subject to Repurchase shall be paid by delivery to the Purchaser or Permitted Transferee of a certified bank check or checks in the appropriate amount payable to the order of the Purchaser or Permitted Transferee; provided, however, that if the Purchaser previously has executed and
delivered a Note to the Company, such repurchase price shall be net of the concurrent prepayment to the Company of the aggregate accrued and unpaid interest and unpaid principal thereon pursuant to Section 3.3 hereto.

2.9. Sale Right.

(a) In the event that (i) the Purchaser's employment with the Company and its Subsidiaries has been terminated for any reason (including as a result of the death or disability of the Purchaser) and (ii) neither the Company nor its designee has delivered a Repurchase Notice to the Purchaser at least 20 days prior to the Note Repayment Date, then the Purchaser shall have the option to sell to the Company, and the Company shall be obligated to purchase, on one occasion from the Purchaser, a portion of the shares of Directly Owned Class A Common Stock held by Purchaser with an aggregate Repurchase Price on the date of the Purchaser's termination of employment equal to the Note Repayment Amount (the "Note Repayment Shares"); provided, however, that if the Note Repayment
Amount exceeds the aggregate Repurchase Price of all shares of Directly Owned Class A Common Stock owned by the Purchaser on the date the Purchaser's employment is terminated, then the Company shall only be required to purchase such shares pursuant to this Section 2.9 and the remaining portion of the Note Repayment Amount shall remain payable under the terms of the Note; provided,
further, that the first shares of Directly Owned Class A Common Stock sold by the Purchaser must be shares other than Shares Subject to Repurchase until the Purchaser owns no more of such shares, and then the Shares Subject to Repurchase until the Purchaser owns no more of such shares. The purchase price per share for such Note Repayment Shares will be the Repurchase Price and shall be determined as of the date of the Purchaser's termination of employment.

(b) In order to exercise the right set forth in Section 2.9(a) hereto, the Purchaser shall be required to deliver a written notice of his or her election to the Company (a "Sale Notice") no later than 10 days prior to the
Note Repayment Date.

(c) The completion of the purchase pursuant to Section 2.9(a) shall take place at the principal office of the Company on the Note Repayment Date. If the Note Repayment Amount is less than or equal to the aggregate Repurchase Price of all of the shares of Directly Owned Class A Common Stock owned by the Purchaser on the date the Purchaser's employment is terminated, then the purchase pursuant to Section 2.9(a) hereto shall be completed on such Note Repayment Date by the Company's cancellation of the Note and the delivery of such cancelled Note to the Purchaser. If the Note Repayment Amount exceeds the aggregate Repurchase Price of all of the shares of Directly Owned Class A Common Stock owned by the Purchaser on the date the Purchaser's employment is terminated, then the purchase

pursuant to Section 2.9(a) hereto shall be completed on such Note Repayment Date by the Company's reduction of the aggregate outstanding principal amount of the Note to reflect the repayment of a portion thereof equal to the aggregate Repurchase Price of all of the shares of Directly Owned Class A Common Stock owned by the Purchaser on the date the Purchaser's employment was terminated (with the remaining outstanding principal amount of the Note subject to repayment upon the terms set forth in the Note).

3. Other Covenants of the Purchaser.

3.1. Holdback Agreement.

(a) The Purchaser hereby agrees that he or she will not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, regarding any Common Stock (or other securities) of the Company held by the Purchaser (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act pursuant to which an Initial Public Offering is effected. The Company may impose stop-transfer instructions with respect to the Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day period. For the avoidance of doubt such agreement shall apply only to the Initial Public Offering.

(b) The Purchaser agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto.

3.2. Confidentiality. Purchaser will not at any time (whether during or after the Purchaser's employment with the Company or its Subsidiaries) disclose, retain, or use for the Purchaser's own benefit, purposes or account or the benefit, purposes or account of any other Person, other than the Company and any of its Affiliates, any trade secrets, know-how, software developments, inventions, formulae, technology, designs, databases and drawings, or any property or confidential information of the Company or any of its Affiliates relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising, costs, marketing, trading, investment, sales activities, promotion or the business and affairs of the Company generally, or of any Affiliate of the Company ("Confidential Information") without the written authorization of the Company; provided that the foregoing shall not apply to information which is not unique to the Company or which is generally known to the industry or the public other than as a result of the Purchaser's breach of this covenant or the wrongful acts of others who were under confidentiality obligations as to the item or items involved. Except as required by law, the Purchaser will not disclose to anyone, other than Purchaser's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that the Purchaser may disclose to any prospective future employer the provisions of this Section 3.2 provided they agree to maintain the confidentiality of such terms. The Purchaser agrees that upon termination of the Purchaser's employment with the Company or its Subsidiaries for any reason, the Purchaser will return to the Company immediately all reports, memoranda, books, papers, plans, information, lists, letters and other data, and all copies thereof

or therefrom, in any way relating to the business of the Company or any of its Affiliates, except that the Purchaser may retain only those portions of personal notes, notebooks and diaries that do not contain Confidential Information of the type described in the preceding sentence. The Purchaser further agrees that the Purchaser will not retain or use for the Purchaser's own benefit, purposes or account or the benefit, purposes or account of any other Person, other than the Company and any of its Affiliates, at any time any trade names, trademark, service mark, Internet domain names, other proprietary business designation, patent, or other intellectual property used or owned in connection with the business of the Company or its Affiliates.

3.3. Discharge of Indebtedness. Any Transfer of Shares Subject to Repurchase by the Purchaser shall be void and of no effect unless and until the Net Proceeds (as defined below) directly or indirectly received by the Purchaser in respect thereof shall have been applied to the prepayment, first, of the accrued and unpaid interest on the Note and, second, to the unpaid principal

amount of the Note; provided, however, that, notwithstanding the foregoing, the
Purchaser and his or her Permitted Transferees may Transfer Shares Subject to Repurchase to any other Permitted Transferee of the Purchaser (including Transfers back to the Purchaser) without the repayment and discharge of any portion of principal and interest on the Note or such other indebtedness which is not then due and owing so long as, in case of the Note, (i) the Note remains secured pursuant to the Pledge Agreement to the same extent as would have been the case had such transfer not occurred and (ii) the Purchaser remains liable for all indebtedness outstanding under the Note. The term "Net Proceeds" shall mean the total proceeds received from the disposition of Shares Subject to Repurchase, minus an amount equal to the sum of (A) the federal income tax liability that would be payable in respect of the gain recognized upon such disposition, after giving effect to any deduction for state or local income tax liability described in clause (B) below, assuming a tax rate equal to the maximum federal income tax rate on long term or short term capital gains in effect at the time of disposition, whichever is applicable, and (B) any state or local income tax liability that would be payable in respect of such gain, assuming the maximum applicable state and local capital gain income tax rate on dispositions of such Shares Subject to Repurchase.

3.4. Assignment of Options Proceeds; Transfer of DCP Plan Account Balances. The Purchaser will indicate on Row 7 of Schedule I an assignment of options proceeds only for those options that the Purchaser has validly tendered and not withdrawn prior to the date hereof. The Purchaser will indicate on Row 2 of Schedule I only the number of stock fund units under the DCP Plan to be acquired by the Purchaser through his or her transfer of account balances currently allocated to the DCP Plan insurance fund investment alternatives.

3.5.Section 83(b) Election. The Purchaser shall make an election pursuant to section 83(b) of the Code, in the form attached hereto as Exhibit F, with respect to any Shares Subject to Repurchase.

4. Miscellaneous.

4.1. Effectiveness; Termination. This Agreement will be effective upon receipt of a confirmatory e-mail from the Purchaser with respect to his or her desire to purchase shares of Directly Owned Class A Common Stock following the effectiveness of the Registration Statement; provided that the Company has received from the Purchaser a copy of this Agreement

duly executed by the Purchaser and, if applicable, his or her spouse, with a properly completed Schedule I attached, and will terminate with respect to the provisions referred to below as follows: (i) with respect to Article 2 (other than Sections 2.5, 2.7 and 2.8), on the Lapse Date; (ii) with respect to Sections 2.5 and 2.7, upon a Qualified Initial Public Offering; and (iii) with respect to all Sections (including, without limitation, all of Article 2 other than Section 2.9) other than Sections 2.9, 3.1, 3.2 and 3.3, upon (A) the sale of all or substantially all of the equity interests in the Company to a third party resulting in a Change of Control, whether by merger, consolidation, share exchange, tender offer or otherwise, (B) the closing of a Majority Sale (other than Section 2.5(c), which shall survive such Majority Sale) resulting in a Change of Control, or (C) the approval in writing by the Company and the Purchaser.

4.2. Additional Shares.

(a) The Purchaser agrees that, subject to Section 4.2(b) hereto, any other shares of Directly Owned Class A Common Stock which he or she shall hereafter acquires (including, without limitation, from Other Purchasers) by means of a stock split, stock dividend, distribution, exercise of stock options, purchase, acquisition or otherwise shall be subject to the provisions of this Agreement (other than Article 1) to the same extent as if held on the date hereof. For the avoidance of doubt, the foregoing sentence (i) shall not include, without limitation, any shares of Class A Common Stock (A) held in the 401(k) Plan prior to their distribution to the Purchaser pursuant to the terms of the 401(k) Plan or (B) underlying stock fund units in the DCP Plan prior to their distribution to the Purchaser pursuant to the terms of the DCP Plan, and (ii) shall include, without limitation, shares of Class A Common Stock (A) distributed to the Purchaser pursuant to the terms of the 401(k) Plan or the DCP Plan and (B) Option Shares.

(b) Notwithstanding anything to the contrary stated herein, if the Purchaser is a party to the Contribution Agreement, then all shares of Class B Common Stock acquired by the Purchaser pursuant to the terms of the Contribution Agreement (including, with respect to such shares of Class B Common

Stock, any additional shares of Class B Common Stock the Purchaser may hereafter acquire by means of a stock split, stock dividend or similar distribution) shall not be subject to the terms of this Agreement.

4.3. Third Party Beneficiaries. Except as set forth in Section 2.7(c) hereto, no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

4.4. Purchaser's Employment or Engagement by the Company. Nothing contained in this Agreement shall be deemed to obligate the Company or any of its Subsidiaries to employ or engage the Purchaser in any capacity whatsoever or to prohibit or restrict the Company (or any such subsidiary) from terminating the employment or engagement, if any, of the Purchaser at any time or for any reason whatsoever, with or without Cause.

4.5. Non-Assignability. This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any party hereto without the express prior written consent of the other party, and any attempted assignment, without such consents, will be null and void;

provided, however, that the Company may assign this Agreement to one or more of its Affiliates without such consent; provided, further, that with respect to any Person who acquires any shares of Directly Owned Class A Common Stock from the Purchaser in compliance with the terms hereof: (a) the Purchaser shall, prior to such Transfer, furnish to the Company written notice of the name and address of such transferee, and (b) if such transferee is not an Other Purchaser, the Purchaser and such transferee shall execute and deliver to the Company prior to such Transfer an Assumption Agreement in the form of Exhibit E hereto (the "Assumption Agreement"), whereby the Purchaser and such transferee shall assume and be entitled to the rights and obligations under this Agreement to the extent described in the Assumption Agreement.

4.6. No Inconsistent Agreements. The Purchaser shall not enter into any agreement or other arrangement of any kind with any Person with respect to any Securities that is inconsistent with the provisions of this Agreement or that may impair his or her ability to comply with this Agreement.

4.7. Amendment; Waiver. This Agreement may be amended only by a written instrument signed by the parties hereto. No waiver by either party hereto of any of the provisions hereof shall be effective unless set forth in a writing executed by the party so waiving.

4.8. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in all respects under the laws of the State of Delaware. Any action to enforce which arises out of or in any way relates to any of the provisions of this Agreement may be brought and prosecuted in such court or courts located within the State of Delaware as provided by law, and the parties consent to the jurisdiction of such court or courts located within the State of Delaware and to service of process by registered mail, return receipt requested, or by any other manner provided by Delaware law.

4.9. Notices. Any notices or communications permitted or required hereunder shall be deemed sufficiently given if hand-delivered, or sent by (x) registered or certified mail return receipt requested, (y) telecopy or other electronic transmission service (to the extent receipt is confirmed other than by automatic means) or (z) by overnight courier, in each case to the parties at their respective addresses and telecopy numbers set forth below, or to such other address of which any party may notify the other party in writing.

(a) If to the Company, to it at the following address:

CBRE Holding, Inc.
c/o CB Richard Ellis Services, Inc.
200 North Sepulveda Boulevard
Suite 300
El Segundo, CA 90245-4380
Attention: General Counsel
Telecopy: (310) 563-8632

with a copy to:

RCBA Strategic Partners, L.P.
909 Montgomery Street
Suite 400
San Francisco, CA 94133
Attention: General Counsel
Telecopy: (415) 434-3130

with another copy to:

Simpson Thacher & Bartlett
3330 Hillview Avenue
Palo Alto, CA 94304
Attention: Richard Capelouto
Telecopy: (650) 251-5002

(b) If to the Purchaser or to any Permitted Transferee, to him or her at his or her address or telecopy number as set forth on the signature page hereto, with respect to the Purchaser, or the applicable Assumption Agreement, with respect to any Permitted Transferee.

4.10. Integration. This Agreement and the documents referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to the subject matter hereof and thereof. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

4.11. Counterparts. This Agreement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

4.12. Injunctive Relief. The Purchaser, on behalf of himself or herself and his or her Permitted Transferees, and the Company, on its own behalf and on behalf of its successors and assigns, each acknowledges and agrees that a violation of any of the terms of this Agreement will cause the other irreparable injury for which adequate remedy at law is not available. Accordingly, it is agreed that the Company or the Purchaser, as the case may be, shall be entitled to an injunction, restraining order or other equitable relief to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction in the United States or any state thereof, in addition to any other remedy to which it or he or she may be entitled at law or equity.

4.13. Severability. If one or more of the provisions, paragraphs, words, clauses, phrases or sentences contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision, paragraph, word, clause, phrase or sentence in every other

respect and of the remaining provisions, paragraphs, words, clauses, phrases or sentences hereof shall not be in any way impaired, it being intended that all rights, powers and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

4.14. Rights to Negotiate. Nothing in this Agreement shall be deemed to restrict or prohibit the Company from purchasing any Securities from the Purchaser at any time upon such terms and conditions and at such price as may be mutually agreed upon between the Company and the Purchaser, whether or not at the time of such purchase circumstances exist which specifically grant the Company the right to purchase, or the Purchaser the right to sell, Securities pursuant to the terms of this Agreement.

4.15. Rights Cumulative; Waiver. The rights and remedies of the Purchaser and the Company under this Agreement shall be cumulative and not exclusive of any rights or remedies which either would otherwise have hereunder or at law or in equity or by statute, and no failure or delay by either party in exercising any right or remedy shall impair any such right or remedy or operate as a waiver of such right or remedy, nor shall any single or partial exercise of any power or right preclude such party's other or further exercise or the exercise of any other power or right. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights

or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

4.16. Interpretation. The words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified. The headings in this Agreement are included for convenience of reference only and shall not limit or otherwise affect the meaning or interpretation of this Agreement. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

4.17. Shares Subject to the Incentive Plan and this Agreement. By entering into this Agreement the Participant agrees and acknowledges that the Participant has received a copy of the Incentive Plan. The shares of Directly Owned Class A Common Stock purchased by the Purchaser pursuant to this Agreement are subject to the Incentive Plan and this Agreement. In the event of a conflict between any term or provision of the Incentive Plan and any term or provision of this Agreement, the applicable terms and provisions of this Agreement will govern and prevail.

4.18. Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity hereof, shall be exclusively and finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration by a sole arbitrator. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. (S)(S) 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Los Angeles, California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CBRE HOLDING, INC.

By:_____
Name:
Title:

PURCHASER:

_____
Name:
Address:

Fax Number:

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Designated Manager Subscription Agreement between CBRE Holding, Inc. and the Purchaser named therein, I, _____, the spouse of the Purchaser named therein, do hereby join with my spouse in executing the foregoing Designated Manager Subscription Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ ____, 2001 _____
[Spouse]

SCHEDULE I

Name of Purchaser: _____

Signature of Purchaser: _____

Date: _____

The Purchaser must fill in all of the blanks below (including filling in a zero if applicable). All capitalized terms used in this Schedule I shall have the meanings set forth in the Designated Manager Subscription Agreement between the Purchaser and the Company.

Subscription of Shares for Direct Ownership
- ----------

1. Minimum number of shares that must be subscribed for by the Purchaser to be eligible to receive a grant of Options and to use a Note to pay a portion of the Total Purchase Price (such minimum may be achieved through purchase of Directly Owned Class A Common Stock and/or _____

stock fund units under the DCP Plan acquired by the transfer of account balances currently allocated to the DCP Plan insurance fund investment alternatives); such minimum number to be separately provided to the Purchaser by the Company

2. Number of stock fund units under the DCP Plan to be acquired by Purchaser by the transfer of account balances currently allocated to the DCP Plan insurance fund investment alternatives _____

3. Minimum number of shares of Directly Owned Class A Common Stock that the Purchaser must subscribe for to be eligible to receive a grant of Options and to use a Note to pay a portion of the Total Purchase Price (equals Row 1 minus Row 2) _____
-----

4. Number of shares of Directly Owned Class A Common Stock that the Purchaser is subscribing for (which number may be less than, equal to or greater than Row 3) _____

Purchase Price
- --------------

5. Total Purchase Price (equal to Row 4 multiplied by $16.00) $ _____

6. Assigned Merger Proceeds (equal to Row 12 below) $ _____

7. Assigned Options Proceeds (equal to Row 15 below) $ _____

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8. Note Consideration (may not be greater than (i) 50% of the amount obtained by multiplying Row 4 by $16.00 and (ii) then subtracting the amount obtained by multiplying Row 2 by $16.00) $ _____

9. New Cash Consideration (equal to Row 5 minus the amounts in Rows 6, 7 and 8) $ _____

Assigned Merger Proceeds
- ------------------------

10. Total number of shares of CB Richard Ellis Services Common Stock held by the Purchaser as the record owner [to be separately provided to the Purchaser by the Company] _____

11. Total proceeds to be received by the Purchaser in the Merger for his or her outstanding shares of CB Richard Ellis Services Common Stock owned of record (equal to Row 10 multiplied by $16.00 and subtracting all loans that must be repaid to CB Richard Ellis Services in connection with the Merger) [to be separately provided to the Purchaser by the Company] $ _____

12. Total amount in Row 11 that Purchaser wants to use to purchase shares of Directly Owned Class A Common Stock $ _____

Assigned Options Proceeds
- -------------------------

13. Total number of the Purchaser's CB Richard Ellis Services Options [to be separately provided to the Purchaser by the Company] $ _____

14. Total proceeds net of any withholding tax Purchaser may elect to receive at the Effective Time for his or her CB Richard Ellis Services Options [to be separately provided to the Purchaser by the Company] $ _____

15. Total amount in Row 14 that Purchaser wants to use to purchase shares of Directly Owned Class A Common Stock $ _____
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EXHIBIT A

DEFINITIONS

As used in this Agreement, terms defined in the headings shall have their respective assigned meanings, and the following capitalized terms shall have the meanings ascribed to them below:

"Affiliate" means, with respect to any Person, (i) any Person that directly or indirectly controls, is controlled by or is under common control with, such Person, or (ii) any director, officer, partner or employee of such Person or any Person specified in clause (i) above, or (iii) any spouse, parent, child, step-child, grandchild, step-grandchild or sibling of any Person specified in clause (i) or (ii) above. As used in this definition of "Affiliate" and in this Agreement, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding anything to the contrary stated herein, the Company and its Subsidiaries shall not be considered Affiliates of RCBA Strategic.

"Agreement" means this Designated Manager Subscription Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Applicable Percentage" shall mean (i) for the period from the Closing Date through the day immediately preceding the first anniversary of the Closing Date, 100%, (ii) for the period from the first anniversary of the Closing Date through the date immediately preceding the second anniversary of the Closing Date, 80%, (iii) for the period from the second anniversary of the Closing Date through the day immediately preceding the third anniversary of the Closing Date, 60%, (iv) for the period from the third anniversary of the Closing Date through the day immediately preceding the fourth anniversary of the Closing Date, 40%, (v) for the period from the fourth anniversary of the Closing Date through the day immediately preceding the fifth anniversary of the Closing Date, 20%, and (vi) on and after the fifth anniversary of the Closing Date, 0%; provided, however, that in the event that the Purchaser's employment with, or engagement by, the Company and its Subsidiaries ends on a particular date for any reason, then the Applicable Percentage in effect on such date pursuant to the foregoing clauses (i) through (v) shall be the Applicable Percentage at all times thereafter.

"Assigned Merger Proceeds" shall have the meaning ascribed to such term in Section 1.7(a) hereto.

"Assigned Options Proceeds" shall have the meaning ascribed to such term in Section 1.7(b) hereto.

"Assumption Agreement" shall have the meaning ascribed to such term in Section 4.5 hereto.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means a day other than a Saturday, Sunday, holiday or other day on which commercial banks in New York City are authorized or required by law to close.

"Cause" means (i) the willful failure of the Purchaser to perform his or her duties to the Company or its Subsidiaries which is not cured within 10 days following written notice, (ii) the conviction of the Purchaser of a felony, (iii) willful malfeasance or misconduct by the Purchaser that is materially and demonstrably injurious to the Company or its Subsidiaries, or (iv) the breach by the Purchaser of the material terms of the Note, the Pledge Agreement or this Agreement, including, without limitation, Section 2.1 and all of Article 3.

"CB Richard Ellis Services" means CB Richard Ellis Services, Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company, and shall also include its successors by means of a merger, consolidation, reorganization, recapitalization or similar transaction.

"CB Richard Ellis Services Common Stock" means the shares of common stock of CB Richard Ellis Services, $0.01 par value per share.

"CB Richard Ellis Services Options" means any option to purchase CB Richard Ellis Services Common Stock outstanding under any stock option or

compensation plan or arrangement of CB Richard Ellis Services, whether or not vested.

"Change of Control" means (i) the sale or disposition, in one or a series of related transactions, of all, or substantially all, of the assets of the Company to any "person" or "group," as defined in Sections 13(d)(3) or 14(d)(2) of the Exchange Act (other than RCBA Strategic and its Affiliates, Freeman Spogli and their Affiliates or any group in which any of the foregoing is a member); or (ii) or any person or group (other than RCBA Strategic and its Affiliates, Freeman Spogli and their Affiliates or any group in which any of the foregoing is a member) is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company (including by way of merger, consolidation or otherwise) and the representatives of RCBA Strategic and its Affiliates, Freeman Spogli and their Affiliates or any group in which any of the foregoing is a member, individually or in the aggregate, cease to have the ability to elect a majority of the Board of Directors.

"Class A Common Stock" means the Class A common stock, par value $.01 per share, of the Company.

"Class B Common Stock" means the Class B common stock, par value $.01 per share, of the Company.

"Closing" shall have the meaning ascribed to such term in Section 1.3 hereto.

"Closing Date" shall have the meaning ascribed to such term in Section 1.3 hereto.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"Common Stock" means the Class A Common Stock and Class B Common Stock, collectively.

"Common Stock Equivalents" means any stock, warrants, rights, calls, options or other securities exchangeable or exercisable for, or convertible into, Common Stock.

"Company" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Confidential Information" shall have the meaning ascribed to such term in Section 3.2 hereto.

"Contribution Agreement" means the Amended and Restated Contribution and Voting Agreement, dated as of May 31, 2001, by and among the Company, Acquisition, RCBA Strategic, Freeman Spogli, Raymond Wirta, Brett White and the other parties thereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Co-Sale Amount" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

"Cost" means the purchase price of $16.00 per share of Class A Common Stock paid by the Purchaser, as adjusted by the Board of Directors in good faith and on a consistent basis to reflect any stock splits, stock dividends, recapitalizations and other similar transactions.

"DCP Plan" means the Deferred Compensation Plan of CB Richard Ellis Services.

"Designated Manager" means any employee of the Company and its Subsidiaries that enters into an agreement in the form of this Agreement.

"Designated Manager Subscription Agreement" means the form of this agreement entered into by each of the Designated Managers.

"DGCL" means the Delaware General Corporation Law, as amended from time to time.

"Directly Owned Class A Common Stock" means any shares of Class A Common Stock directly held of record by the Purchaser, whether acquired pursuant to (i) this Agreement, (ii) the exercise of Options, (iii) the receipt of distributions from the 401(k) Plan or the DCP Plan, (iv) purchase or other acquisition from any Other Employee or Other Purchaser or (v) any other means either on the date hereof or in the future.

"Effective Time" shall have the meaning ascribed to such term in the Merger Agreement.

"Employee Subscription Agreement" means any of the Employee Subscription Agreements entered into by an employee or independent contractor of the Company and its Subsidiaries other than a Designated Manager in connection with the Offerings.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"Fair Market Value" shall mean, as of any date of determination, with respect to shares of Class A Common Stock, (x) prior to a Qualified Initial Public Offering, the fair market value of the shares, disregarding any discount for minority interest, restrictions on transfer of the shares or lack of marketability of the shares, as determined in good faith by the Board of Directors, and (y) subsequent to a Qualified Initial Public Offering, the price per share of Class A Common Stock equal to the average of the last sales price of a share of Class A Common Stock on each of the last five trading days prior to the date of determination (the "FMV Calculation Period") on the principal national securities exchange on which the Class A Common Stock may at the time be listed or, if there shall have been no sales on such principal national securities exchange during the FMV Calculation Period, the average of the closing bid and asked prices on such principal national securities exchange on each day during the FMV Calculation Period or, if there are no such bid and asked prices during the FMV Calculation Period, on the next preceding five dates on which such bid and asked prices occurred or, if Class A Common Stock shall not be so listed, the average of the closing sales prices as reported by NASDAQ during the FMV Calculation Period in the over-the-counter market.

"Family Group" shall have the meaning ascribed to such term in Section 2.2(a) hereto.

"401(k) Plan" means the Capital Accumulation Plan of CB Richard Ellis Services.

"Freeman Spogli" means FS Equity Partners III, L.P. and FS Equity Partners International, L.P., collectively.

"Good Reason" means (i) a substantial diminution in the Purchaser's position or duties with the Company or its Subsidiaries, an adverse change in the reporting lines of the Purchaser, or the assignment to the Purchaser by the Company or its Subsidiaries of duties materially inconsistent with his or her position with the Company or its Subsidiaries; (ii) any reduction in the Purchaser's base salary or any material adverse change in the Purchaser's bonus opportunity; or (iii) the failure of the Company or its Subsidiaries to pay the Purchaser's compensation or benefits when due; in each of the foregoing clauses (i) through (iii), which is not cured within 30 days following the Company's receipt of written notice from the Purchaser describing the event that would constitute Good Reason if not cured within such period.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Incentive Plan" means the 2001 CBRE Holding, Inc. Stock Incentive

Plan.

"Initial Public Offering" means the first Public Offering occurring after the date hereof.

"Lapse Date" means the earlier of (x) the tenth anniversary of the Closing Date and (y) the date that is 180 days after a Qualified Initial Public Offering is consummated.

"Majority Sale" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

"Merger" shall have the meaning ascribed to such term in the Merger Agreement.

"Merger Agreement" means the Amended and Restated Agreement and Plan of Merger, dated May 31, 2001, among the Company, BLUM CB Corp. and CB Richard Ellis Services.

"Merger Proceeds" means the amount set forth in Row 11 of Schedule I hereto.

"Minimum Number of Shares" means the amount set forth in Row 3 of Schedule I hereto.

"NASDAQ" means the National Association of Securities Dealers Automated Quotation System National Market.

"Net Proceeds" shall have the meaning ascribed to such term in Section 3.3 hereto.

"New Cash Consideration" shall have the meaning ascribed to such term in Section 1.4(a)(ii) hereto.

"New Certificates" shall have the meaning ascribed to such term in Section 1.3 hereto.

"Non-RCBA Strategic Party" means any Person other than RCBA Strategic or its Affiliates.

"Note" shall have the meaning ascribed to such term in Section 1.4(a)(iv) hereto.

"Note Consideration" shall have the meaning ascribed to such term in Section 1.4(a)(iv) hereto.

"Note Repayment Amount" means the principal amount of the Note and all accrued and unpaid interest thereon as of the Note Repayment Date.

"Note Repayment Date" means the repayment date set forth in the Note.

"Note Repayment Shares" shall have the meaning ascribed to such term in Section 2.9 hereto.

"Offerings" means the registered offerings to certain employees and independent contractors of the Company and its Subsidiaries pursuant to the Company's Incentive Plan, which offerings include shares of Directly Owned Class A Common Stock, shares of Class A Common Stock to be held in the 401(k) Plan, and shares of Class A Common Stock underlying stock fund units held in the DCP Plan.

"Old Certificates" shall have the meaning ascribed to such term in Section 1.4(a)(iii) hereto.

"Options" mean any options to acquire Class A Common Stock, including without limitation, all options granted under the Incentive Plan.

"Option Agreement" means the form of option agreement pursuant to which the Purchaser, upon satisfaction of the terms and conditions described in the Prospectus, may be eligible to receive a grant of Options covering Option Shares in connection with the Offerings.

"Options Payment Consent" means the form of Consent and Letter of Transmittal previously distributed by, or on behalf of, CB Richard Ellis Services to each holder of CB Richard Ellis Services Options, pursuant to which each such holder is being requested to consent to the cancellation at the Effective Time of all CB Richard Ellis Services Options held by such holder as of the Effective Time, in exchange for an amount per share of CB Richard Ellis Services Common Stock subject to such canceled CB Richard Ellis Services Options equal to the greater of (i) the excess, if any, of (A) $16.00 over (B) the exercise price per share of CB Richard Ellis Services Common Stock subject to such canceled CB Richard Ellis Services Options and (ii) $1.00, in each case minus any applicable withholding taxes.

"Options Proceeds" means the amount set forth in Row 14 of Schedule I hereto.

"Option Shares" means all Class A Common Stock received by a Purchaser upon the exercise or other settlement of Options.

"Other Employee" means any of the employees and independent contractors of the Company and its Subsidiaries other than the Purchaser.

"Other Purchaser" means any Other Employee that has (i) purchased Class A Common Stock from the Company and is party to a Designated Manager Subscription Agreement or an Employee Subscription Agreement or (ii) received Class A Common Stock pursuant to the DCP Plan or 401(k) Plan and has properly executed and delivered a Stockholder Agreement (as defined in the DCP Plan or 401(k) Plan) prior to such receipt.

"Ownership" means, with respect to any Person, all matters related to such Person's and such Person's Affiliates' (i) beneficial ownership of Common Stock, (ii) due authorization of a Transfer of such Common Stock, (iii) power to Transfer such Common Stock, and (iv) non-violation of agreements, laws, etc. relating to such Transfer of such Common Stock.

"Permitted Transferee" shall have the meaning ascribed to such term in Section 2.2(a) hereto.

"Person" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, Governmental Authority or other entity of any nature whatsoever.

"Pledge Agreement" shall have the meaning ascribed to such term in Section 1.4(a)(iv) hereto.

"Proposed Transferee" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

"Prospectus" means the prospectus included in the Registration Statement filed by the Company.

"Public Offering" means an underwritten offering of Securities to the public pursuant to an effective registration statement filed under the Securities Act.

"Purchaser" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Purchasing Party" shall have the meaning ascribed to such term in Section 2.7(a) hereto.

"Qualified Initial Public Offering" shall mean a Public Offering after the Effective Time pursuant to which the Class A Common Stock becomes listed on a national securities exchange or on the NASDAQ.

"RCBA Strategic" means RCBA Strategic Partners, L.P., a Delaware limited liability company, together with its successors.

"Registration Statement" means the Registration Statement on Form S-1 filed with the SEC by the Company in connection with the Offerings.

"Regulations" means the regulations promulgated under the Code.

"Repurchase Notice" shall have the meaning ascribed to such term in Section 2.8(a) hereto.

"Repurchase Price" shall have the meaning ascribed to such term in Section 2.8(b) hereto.

"Required Sale Notice" shall have the meaning ascribed to such term in Section 2.7(b) hereto.

"Requiring Parties" shall have the meaning ascribed to such term in Section 2.7(a) hereto.

"Sale Notice" shall have the meaning ascribed to such term in Section 2.9(b) hereto.

"Securities" means (i) shares of Common Stock, (ii) Common Stock Equivalents and (iii) other securities of the Company other than debt securities that are not Common Stock Equivalents.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"Shares Subject to Repurchase" shall mean at any time, the Minimum Number of Shares applicable to the Purchaser (as adjusted in good faith and on a consistent basis by the Board of Directors to reflect any stock splits, stock dividends, recapitalizations and other similar corporate transactions) times the Applicable Percentage.

"Stockholders" means RCBA Strategic, Freeman Spogli, the Purchaser, the Other Purchasers and all of the other holders of Common Stock.

"Stock Power" shall have the meaning ascribed to such term in Section 1.4(a)(iii) hereto.

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which fifty percent (50%) or more of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, or fifty percent (50%) or more of the equity interest therein, is at the time owned or controlled, directly or indirectly, by any Person or one or more of the other Subsidiaries of such Person or a combination thereof.

"Total Purchase Price" shall have the meaning ascribed to such term in Section 1.1(a) hereto.

"Transfer" means any transfer, sale, assignment, distribution, exchange, mortgage, pledge, hypothecation or other disposition of any Securities or any interest therein, including transfers by operation of law in connection with a merger transaction or otherwise.

"Transferring Stockholders" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

EXHIBIT B

FORM OF FULL RECOURSE NOTE

[to come]

EXHIBIT C

FORM OF PLEDGE AGREEMENT

[to come]

EXHIBIT D

FORM OF STOCK POWER

FOR VALUE RECEIVED,_____

hereby sell(s), assign(s) and transfer(s) unto_____

_____

_____

(_____) Shares of the _____ Stock of _____ standing in my(our) name(s) on the books of said Corporation represented by Certificate(s) No(s)._____ herewith, and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the said stock on the books of said Corporation with full power of substitution in the premises.

Dated: _____

_____
[Purchaser]

EXHIBIT E

FORM OF ASSUMPTION AGREEMENT

[DATE]

CBRE Holding, Inc.
c/o CB Richard Ellis Services, Inc.
200 North Sepulveda Blvd., Suite 300
El Segundo, CA 90245-4380
Attention: General Counsel

Dear Sir or Madam:

Reference is made to the Designated Manager Subscription Agreement, dated as of _____ ___, 2001 (the "Designated Manager Subscription Agreement"), between CBRE Holding, Inc. and the undersigned Purchaser. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Designated Manager Subscription Agreement.

In consideration of the representations, covenants and agreements contained in the Designated Manager Subscription Agreement, the undersigned Permitted Transferee hereby confirms and agrees that he or she shall be bound by the following provisions thereof as if such Permitted Transferee were a Purchaser: Articles 2 (other than Section 2.9), 3 and 4.

Notwithstanding anything to the contrary stated herein or in the Designated Manager Subscription Agreement, the Purchaser shall remain bound by, and subject to, each of the provisions of the Designated Manager Subscription Agreement in accordance with the terms thereof.

This Assumption Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed and to be performed entirely within that state.

Very truly yours,

PERMITTED TRANSFEREE:

_____
Name:

Address:

Fax Number:

PURCHASER:

_____
Name:

EXHIBIT F

SECTION 83(b) ELECTION

Purchaser must (1) file using certified mail, return receipt requested, the original executed copy of this statement within 30 days of the Closing Date (as defined in Designated Manager Subscription Agreement) at the Internal Revenue Service office where he or she will file his or her income tax return for 2001; (2) deliver a copy of this completed and executed statement with the subscription documents to CBRE Holding, Inc., c/o CB Richard Ellis Services, Inc., 200 North Sepulveda Blvd., Suite 300, El Segundo, CA, 90245-4380; and (3) attach a copy of this statement to his or her tax return for the taxable year ending December 31, 2001.

STATEMENT MADE PURSUANT TO UNITED STATES INTERNAL REVENUE CODE SECTION 83(b) AND THE REGULATIONS THEREUNDER

I hereby elect under Internal Revenue Code Section 83(b) to include in income for my taxable year ending December 31, 2001, the excess, if any, of the fair market value over the amount I paid for the property described in paragraph 2 below. In compliance with Treasury Regulations Section 1.83-2(e), I hereby furnish the following information:

(1) Name:_____

Address:_____
_____
_____

Social Security Number:_____

Employer: CB Richard Ellis Services, Inc.

(2) I have acquired _____ shares in CBRE Holding, Inc., for which this election is being made.

(3) This election is being made for my taxable year ending December 31, 2001. The property is to be transferred on _____, 2001.

(4) If I terminate my employment with CB Richard Ellis Services, Inc., my shares are subject to repurchase pursuant to the terms of the Designated Manager Subscription Agreement.

(5) The fair market value of my shares in CBRE Holding, Inc. is $16.00 per share on the date of the transfer.

(6) The price paid for my shares in CBRE Holding, Inc. is $16.00 per share.

(7) A copy of this statement has been furnished to my employer.

(8) I shall attach a copy of this statement to my United States tax return for my taxable year ending December 31, 2001.

_____ _____
Date Signature

EMPLOYEE SUBSCRIPTION AGREEMENT

EMPLOYEE SUBSCRIPTION AGREEMENT, dated as of July 13, 2001 between CBRE Holding, Inc., a Delaware corporation formerly known as BLUM CB Holding Corp. (the "Company"), and the individual named on the signature page hereto (the "Purchaser"). All capitalized terms used in this Agreement shall have the meanings set forth in Exhibit A hereto.

1. Subscription for and Purchase of Directly Owned Class A Common Stock.

1.1. Purchase of Directly Owned Class A Common Stock.

(a) Pursuant to the terms and subject to the conditions set forth in this Agreement, the Purchaser hereby subscribes for and agrees to purchase, and the Company hereby agrees to issue and sell to the Purchaser, on the Closing Date (as defined in Section 1.3), the number of shares of Directly Owned Class A Common Stock set forth on Schedule I hereto at a price of $16.00 per share and for the aggregate amount and forms of consideration (the "Total Purchase Price") set forth on Schedule I hereto. Notwithstanding the foregoing, in the event that the offering for Directly Owned Class A Common Stock is over-subscribed, the Company, in its sole discretion, reserves the right to reduce the number of shares available for purchase by the Purchaser from the number of shares subscribed for on Schedule I hereto. In the event the offering is over-subscribed, the Company will deliver to the Purchaser the reduced number of shares available and a check equal to the difference of (i) the Total Purchase Price as set forth on Row 2 of Schedule I and (ii) the actual purchase price of the shares delivered to the Purchaser. For the Purchaser to properly subscribe pursuant to this Section 1.1, (a) the Purchaser must properly complete Schedule I (attached hereto) and execute this Agreement, and (b) the Company must receive from the Purchaser either by fax or mail (at the number or address indicated in Section 4.9 hereto) both the properly completed Schedule I and this executed Agreement no later than 5:00 p.m. Los Angeles time on July 13, 2001.

(b) The Purchaser may pay the Total Purchase Price using any combination of the following methods of payment: (i) assignment of all or a portion of the net cash proceeds to be received by the Purchaser in the Merger in respect of shares of CB Richard Ellis Services Common Stock owned of record by the Purchaser; (ii) assignment of all or a portion of the cash proceeds, net of withholding tax, to be received by the Purchaser in respect of options to acquire shares of CB Richard Ellis Services common stock that are validly tendered to CB Richard Ellis Services pursuant to its offer to purchase such options; and (iii) payment of cash. In the event that either the Assigned Merger Proceeds, as defined in Section 1.7(a) hereto, or the Assigned Options Proceeds, as defined in Section 1.7(b) hereto, is less than the amounts indicated on Row 4 of Schedule I, as applicable, the Purchaser agrees to pay promptly, and in any event within 2 business days upon demand, the shortfall to the Company in cash.

1.2. Limitations Regarding Sales of Directly Owned Class A Common Stock.

Notwithstanding anything in this Agreement to the contrary, the Company shall have no obligation to issue, sell or deliver any shares of Directly Owned Class A Common Stock

pursuant to this Agreement to any person (i) who is not a full-time employee of CB Richard Ellis Services or any of its Subsidiaries on the Closing Date or (ii) who is a resident of a jurisdiction in which such issuance, sale or delivery to such person would constitute a violation of the securities or "blue sky" laws of such jurisdiction.

1.3. The Closing.

The closing (the "Closing") of the purchase of Directly Owned Class A Common Stock hereunder shall take place at 9:00 a.m. New York City time on July 20, 2001 or at such later date and at such time as the Company shall direct on at least three business days' prior notice to the Purchaser (the "Closing Date"). The Closing shall occur at the principal offices of the Company or at such other place as the parties may mutually agree. At the Closing, the Company will deliver to the Purchaser one or more certificates

representing the number of shares of Directly Owned Class A Common Stock purchased by the Purchaser pursuant to this Agreement (the "New Certificates") using New Cash Consideration as defined in Section 1.4(a)(ii) hereto, against the Purchaser's (or the Purchaser's representative) prior delivery to the Company of each of the agreements, documents and forms of consideration set forth in Section 1.4(a)(i) and (ii) hereto applicable to the Purchaser. After the Closing, the Company will deliver to the Purchaser one or more New Certificates representing the number of shares of Directly Owned Class A Common Stock purchased by the assignment to the Company (pursuant to Section 1.7 hereto) of all or a portion of the proceeds that the Purchaser would be otherwise entitled to receive in the Merger for shares of CB Richard Ellis Services Common Stock, against the Purchaser's (or the Purchaser's representative) prior delivery to the Company of the form of consideration set forth in Section 1.4(a)(iii) hereto.

1.4. Conditions to the Obligations of the Parties.

(a) The obligations of the Company under this Section 1 shall be subject to each of the following conditions:

(i) the Purchaser shall have delivered to the Company on or prior to 5:00 p.m. Los Angeles time on July 13, 2001 a copy of this Agreement duly executed by Purchaser and, if applicable, his or her spouse, together with a properly completed Schedule I to this Agreement;

(ii) the Purchaser shall have delivered to the Company prior to the closing cash or a certified bank check in an amount equal to Row 9 of Schedule I (the "New Cash Consideration");

(iii) if the Purchaser is electing to pay all or a portion of the Total Purchase Price for shares of Directly Owned Class A Common Stock purchased hereby by the assignment to the Company (pursuant to Section 1.7 hereto) of all or a portion of the proceeds that the Purchaser would otherwise be entitled to receive in the Merger for shares of CB Richard Ellis Services Common Stock, the Purchaser shall deliver to the Company after the Closing (A) the certificate or certificates (the "Old Certificates") representing such CB Richard Ellis Services Common Stock upon Purchaser's receipt of a letter from the Company after the Closing requesting the delivery of such Old Certificates, and (B) an executed, undated stock power in the form of

Exhibit B hereto (a "Stock Power") with respect to the shares of CB Richard Ellis Services Common Stock represented by the Old Certificates;

(iv) if the Purchaser is married, or will be married on the Closing Date, the Purchaser's spouse shall have duly executed and delivered to the Company the "Consent of Spouse" page attached to this Agreement;

(v) the closing of the Merger Agreement shall have occurred prior to, or be occurring substantially simultaneously with, the Closing; and

(vi) the representations and warranties of the Purchaser in Section 1.6 of this Agreement shall be true and correct as of the Closing Date in all material respects.

(b) The obligations of the Purchaser under this Section 1 shall be subject to each of the following conditions:

(i) the representations and warranties of the Company in Section 1.5 of this Agreement shall be true and correct as of the Closing Date in all material respects, and

(ii) the closing of the Merger Agreement shall have occurred prior to, or be occurring substantially simultaneously with, the Closing.

1.5. Representations and Warranties of the Company. The Company represents and warrants to the Purchaser as follows:

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary

corporate and legal action by the Company, and no other corporate proceeding by the Company is necessary for the execution, delivery and performance by the Company of this Agreement. This Agreement has been duly executed and delivered by the Company and, assuming it is duly executed and delivered by the Purchaser, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(b) The Directly Owned Class A Common Stock to be issued to the Purchaser pursuant to this Agreement, when issued and delivered in accordance with the terms hereof, will be duly and validly issued and, upon receipt by the Company of the Total Purchase Price therefor, will be fully paid and nonassessable with no personal liability attached to the ownership thereof and will not be subject to any preemptive rights under the DGCL.

(c) The execution, delivery and performance by the Company of this Agreement will not (i) conflict with the certificate of incorporation or by-laws (or equivalent organizational documents) of the Company or any of its Subsidiaries, (ii) result in any breach of any terms or conditions of, or constitute a default under, any contract, agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or (iii) conflict with or violate any law, rule, regulation, ordinance, writ, injunction, judgment or decree applicable to the Company or any of its Subsidiaries or by which any of their assets may be bound or affected.

1.6. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Company as follows:

(a) He or she is competent to, and has sufficient capacity to, execute and deliver this Agreement and to perform his or her obligations hereunder and thereunder.

(b) This Agreement has been, and simultaneously with the Closing will be, duly executed and delivered by the Purchaser.

(c) Assuming the due execution and delivery of this Agreement by the Company, this Agreement constitutes, and simultaneously with the Closing, will constitute, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(d) The execution, delivery and performance of this Agreement by the Purchaser will not (i) conflict with or violate any law, rule, regulation, ordinance, writ, injunction, judgment or decree applicable to the Purchaser or by which any of his or her assets may be bound or affected or (ii) result in any breach of any terms or conditions of, or constitute a default under, any contract, agreement or instrument to which the Purchaser is a party or by which the Purchaser is bound.

(e) The Purchaser is the owner of record of the total number of outstanding shares of CB Richard Ellis Services Common Stock indicated on Row 3, as applicable, of Schedule I.

(f) The Purchaser acknowledges and agrees that the Transfer of any of the shares of Directly Owned Class A Common Stock purchased by the Purchaser at the Closing and, pursuant to Section 4.2 hereto, other Securities that the Purchaser shall hereafter acquire, shall be subject to restrictions and limitations, including, without limitation, those restrictions set forth in Sections 2.1 (Transfers to be Made Only as Permitted or Required by this Agreement), 2.2 (Permitted Transfers), 2.4 (Legend on Securities), 2.5 (Co-Sale Rights), 2.7 (Required Sale Right) and 3.1 (Holdback Agreement).

(g) The Purchaser has received a copy of the Prospectus and has read all of the Prospectus, including the section therein titled "Risk Factors."

(h) As of the date hereof and as of the Closing Date, the Purchaser is buying for investment purposes only and has no immediate plan or intention to transfer his or her shares of Directly Owned Class A Common Stock following the Closing.

1.7. Assignment of Certain Proceeds to the Company.

(a) Subject to the provisions of this Section 1.7(a), the Purchaser hereby irrevocably assigns to the Company the right to receive the amount of the Purchaser's Merger Proceeds set forth in Row 3 of Schedule I hereto, if any (the "Assigned Merger Proceeds"), otherwise payable at the Effective Time. Pursuant to the terms of this Agreement, the parties agree that, at the Effective Time, the Assigned Merger Proceeds assigned to the Company shall be applied to the payment on behalf of the Purchaser of all or a portion of the Total Purchase Price as the case may require. As a result of this Section 1.7(a), the Assigned Merger Proceeds shall, at the Effective Time, become the property of the Company. In lieu of the delivery to the Purchaser of the Assigned Merger Proceeds, the Company shall return or cause to be returned to the Purchaser, and the Purchaser shall be entitled to receive, subject to the terms and conditions of this Agreement, the New Certificates. Notwithstanding the foregoing, this assignment shall not restrict in any manner the Purchaser's ability to exercise voting rights with respect to the shares in his or her sole discretion, or his or her ability to transfer or sell the shares in his or her sole discretion. In the event that the Purchaser transfers or sells the shares at any time, the assignment will be deemed revoked automatically and the Purchaser agrees to deliver payment in cash in lieu of the Assigned Merger Proceeds.

(b) Subject to the provisions of this Section 1.7(b), the Purchaser hereby irrevocably assigns to the Company the right to receive the amount of the Purchaser's Options Proceeds set forth in Row 4 of Schedule I hereto, net of withholding tax, if any (the "Assigned Options Proceeds"), otherwise payable at the Effective Time with respect to those CB Richard Ellis Services Options indicated by the Purchaser on his or her Options Payment Consent. Pursuant to the terms of this Agreement, the parties agree that, at the Effective Time, the Assigned Options Proceeds assigned to the Company shall be applied to the payment on behalf of the Purchaser of all or a portion of the Total Purchase Price as the case may require. As a result of this Section 1.7(b), the Assigned Options Proceeds shall, at the Effective Time, become the property of the Company. In lieu of the delivery to the Purchaser of the Assigned Options Proceeds, the Company shall return or cause to be returned to the Purchaser, and the Purchaser shall be entitled to receive, subject to the terms and conditions of this Agreement, the New Certificates. Notwithstanding the foregoing, this assignment shall not restrict in any manner the Purchaser's ability to withdraw his or her tender of such options as indicated on the Options Payment Consent. In the event that the Purchaser withdraws the Options Payment Consent at any time prior to the Effective Time, the assignment will be deemed revoked automatically and the Purchaser agrees to deliver payment in cash in lieu of the Assigned Merger Proceeds.

(c) If the Purchaser is assigning any of his or her Merger Proceeds to the Company pursuant to Section 1.7(a) hereto, the Purchaser agrees to deliver to the Company the Old Certificates after the Closing accompanied by a Stock Power, as set forth in Section 1.4(a)(iii). Do not send or deliver the Old Certificates to the Company at this time. The Company will send a separate letter requesting delivery of Old Certificates after the Closing as

set forth in Section 1.4(a)(iii) hereto. If the Purchaser is assigning any of his or her Options Proceeds, net of withholding tax, to the Company pursuant to Section 1.7(b) hereto, the Purchaser agrees to complete, sign and deliver his or her Options Payment Consent prior to the Closing.

2. Transfers.

2.1. Transfers to be Made Only as Permitted or Required by this Agreement.

(a) Each of the Purchaser and his or her Permitted Transferees hereby agrees that he or she will not, directly or indirectly, Transfer any shares of Directly Owned Class A Common Stock unless such Transfer complies with the provisions of this Agreement.

(b) Each of the Purchaser and his or her Permitted Transferees hereby agrees that, except for Transfers pursuant to Sections 2.2(a)(iii), 2.5 and 2.7 hereof or Transfers in any Public Offering, no Transfer of any shares of Directly Owned Class A Common Stock prior to the Lapse Date shall occur unless such transferee (i) shall agree to be bound by, and become subject to, specified terms of this Agreement in accordance with the provisions of Section 4.5 hereof or (ii) is an Other Purchaser.

(c) Each of the Purchaser and his or her Permitted Transferees hereby agrees that neither the Purchaser nor any of his or her Permitted Transferees shall, without the prior written consent of the Company (which consent may be withheld by the Company in its absolute discretion), effect a Transfer of shares of Directly Owned Class A Common Stock prior to the Lapse

Date, except for Transfers pursuant to Sections 2.2, 2.5 and 2.7 hereof or Transfers in any Public Offering.

2.2. Permitted Transfers. The Purchaser may Transfer any of the shares of Directly Owned Class A Common Stock beneficially owned by him or her (i) to his or her spouse, parent, descendant, step-child or step-grandchild or any executor, estate, guardian, committee, trustee or other fiduciary acting as such solely on behalf or solely for the benefit of any such spouse, parent, descendant, step-child or step-grandchild (collectively, a "Family Group"), (ii) to any trust, corporation, partnership or limited liability company, all of the beneficial interests in which shall be held, directly or indirectly, by such Purchaser and/or one or more of the Family Group of such Purchaser; provided, however, that during the period that any such trust, corporation, partnership or limited liability company holds any right, title or interest in any shares of Directly Owned Class A Common Stock, no Person other than the Purchaser or members of the Family Group of the Purchaser may be or become beneficiaries, stockholders, general partners or members thereof, (iii) to the Company, RCBA Strategic or any of its Affiliates or Freeman Spogli or any of their Affiliates, or (iv) to any Other Employee. A transferee under Section 2.2(a)(i) or 2.2(a)(ii) is referred to as a "Permitted Transferee."

2.3. Void Transfers.

In the event of any purported Transfer of any Securities in violation of the provisions of this Agreement, such purported Transfer shall be void and of no effect and the Company shall not give effect to such Transfer.

2.4. Legend on Securities.

Each certificate representing shares of Directly Owned Class A Common Stock issued to any Stockholder shall bear the following legend on the face thereof:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SUBSCRIPTION AGREEMENT BETWEEN CBRE HOLDING, INC. AND THE PURCHASER (AS DEFINED IN THE SUBSCRIPTION AGREEMENT), A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT, INCLUDING RESTRICTIONS RELATING TO TRANSFER OF THE SECURITIES."

2.5. Co-Sale Rights.

(a) Prior to a Qualified Initial Public Offering, with respect to any proposed Transfer (other than as provided in Section 2.6) to any Non-RCBA Strategic Party by one or more Stockholders (in such capacity, the "Transferring Stockholders") of Common Stock constituting a majority of the outstanding Common Stock, whether pursuant to a merger, consolidation, share exchange, tender offer or otherwise (a "Majority Sale"), the Company agrees that, subject to Section 2.5(b) hereof, it will take all necessary actions to ensure that in such Majority Sale the Purchaser will have the right to Transfer to the proposed transferee or acquiring Person (a "Proposed Transferee") a number of shares of Directly Owned Class A Common Stock equal to at least the product (rounded down to the nearest whole number of shares) of (i) the quotient determined by dividing (A) the aggregate number of issued and outstanding shares of Directly Owned Class A Common Stock owned of record by the Purchaser on the closing date of the Majority Sale by (B) the aggregate number of issued and outstanding shares of Common Stock on the closing date of the Majority Sale and (ii) the total number of shares of Common Stock proposed to be directly or indirectly Transferred to the Proposed Transferee in the Majority Sale, at the same price per share and upon the same terms and conditions (including, without limitation, time of payment and form of consideration) as to be paid by and given to the Transferring Stockholders (such product, the "Co-Sale Amount"); provided, further, that subject to compliance with applicable law, in the event that the Proposed Transferee notifies the Company that it will require the structure of the transaction related to the proposed Majority Sale to be treated as a recapitalization for financial accounting purposes and that it will require the Company to no longer be subject to the reporting requirements or Section 14 of the Exchange Act after the closing date of the proposed Majority Sale, then,

solely to the extent deemed necessary by the Proposed Transferee to satisfy such requirements, the Proposed Transferee may pay to the Purchaser consideration in the Majority Sale with respect to the shares of Directly Owned Class A Common Stock owned by him or her that differs from the form of consideration paid to one or more of the Transferring Stockholders.

(b) To the extent permitted under applicable law, in order to be entitled to the right set forth in Section 2.5(a) hereto, the Purchaser must agree to (i) make representations and warranties (and provide related indemnification) as to his or her individual Ownership of Directly Owned Class A Common Stock (and then only to the same extent such representations and warranties are severally given by the Transferring Stockholders with respect to their several Ownership of Common Stock), and (ii) agree to pay his or her pro rata share (based on the number of shares Transferred by each Stockholder in such Majority Sale) of any liability arising out of any representations, warranties, covenants or agreements of the Transferring Stockholders that survive the closing of such Majority Sale and do not relate to Ownership of Common Stock. If the Purchaser is a holder of Common Stock Equivalents and wishes to participate in a sale of Common Stock pursuant to Section 2.5(a), the Purchaser shall convert or exercise or exchange such number of Common Stock Equivalents into or for Directly Owned Class A Common Stock as may be required therefor on or prior to the closing date of the Majority Sale.

(c) Subject to the Purchaser's compliance with the terms of Section 2.5(b) hereto, if and to the extent the Proposed Transferee fails to purchase from the Purchaser on the closing date of the Majority Sale any portion of the Co-Sale Amount that Purchaser has properly exercised his or her right to Transfer pursuant to this Section 2.5, then the Company agrees to purchase from the Purchaser on the closing date of the Majority Sale a number of shares of Directly Owned Class A Common Stock beneficially owned by the Purchaser such that, after such purchase by the Company, the Purchaser shall have Transferred to the Company and the Proposed Transferee, to the extent applicable, an amount of shares of Directly Owned Class A Common Stock equal to such portion of the Co-Sale Amount that Purchaser has properly exercised his or her right to Transfer pursuant to this Section 2.5. The Purchaser agrees that this Section 2.5(c) shall be the sole and exclusive remedy of the Purchaser in the event that the Proposed Transferee fails to purchase from the Purchaser on the closing date of the Majority Sale any portion of the Co-Sale Amount that Purchaser has properly exercised his or her right to Transfer pursuant to this Section 2.5.

2.6. Public Offerings. The provisions of Section 2.5 and Section 2.7 shall not be applicable to offers and sales of Securities in a Public Offering.

2.7. Required Sale Right.

(a) Prior to a Qualified Initial Public Offering, to the extent permitted under applicable law, if one or more Stockholders (in such capacity, the "Requiring Parties") agree to a Transfer of Common Stock constituting a Majority Sale to any Non-RCBA Strategic Party, then the Purchaser hereby agrees that, if requested by the Requiring Parties, he or she will Transfer to such transferee or acquiring Person (the "Purchasing Party") on the same terms and conditions (including, without limitation, time of payment and form of consideration, but subject to Section 2.7(b)) as to be paid and given to the Requiring Parties, the same portion (as determined by the immediately succeeding sentence) of the Purchaser's Directly Owned Class A Common Stock as is being Transferred by the Requiring Parties; provided, however, that subject to compliance with applicable law, in the event that the Purchasing Party notifies the Company that it will require the structure of the transaction related to the proposed Majority Sale to be treated as a recapitalization for financial accounting purposes and that it will require the

Company to no longer be subject to the reporting requirements or Section 14 of the Exchange Act after the closing date of the proposed Majority Sale, then, solely to the extent deemed necessary by the Purchasing Party to satisfy such requirements, the Purchasing Party may pay to the Purchaser consideration in the Majority Sale with respect to the shares of Directly Owned Class A Common Stock owned by him or her that differs from the form of consideration paid to one or more of the Requiring Parties. The Purchaser can be required to Transfer pursuant to this Section 2.7 that number of shares of Directly Owned Class A Common Stock equal to the product obtained by multiplying (i) a fraction, (a) the numerator of which is the aggregate number of issued and outstanding shares of Directly Owned Class A Common Stock to be Transferred by the Requiring Parties and (b) the denominator of which is the aggregate number of issued and outstanding shares of Common Stock owned by the Requiring Parties at the time of the Transfer by (ii) the aggregate number of issued and outstanding shares of Directly Owned Class A Common Stock owned by the Purchaser.

(b) To exercise the right set forth in Section 2.7(a) hereto, the Requiring Parties must give written notice (the "Required Sale Notice") to the Purchaser of any proposed Majority Sale giving rise to the rights of the Requiring Parties set forth in Section 2.7(a) at least ten (10) calendar days prior to such Transfer. The Required Sale Notice will set forth the number of shares of Common Stock proposed to be so Transferred, the name of the Purchasing Party, the proposed amount and form of consideration and the other terms and conditions of the proposed Majority Sale. In connection with any such Transfer, the Purchaser shall be obligated only to (i) make representations and warranties (and provide related indemnification) as to his or her individual Ownership of Directly Owned Class A Common Stock (and then only to the same extent such representations and warranties are severally given by the Requiring Parties with respect to their several Ownership of Common Stock), and (ii) agree to pay his or her pro rata share (based on the number of shares Transferred by each Stockholder in such Majority Sale) of any liability arising out of any representations, warranties, covenants or agreements of the Requiring Parties that survive the closing of such Majority Sale and do not relate to Ownership of Common Stock. If the Transfer referred to in the Required Sale Notice is not consummated within 120 days from the date of the Required Sale Notice, the Requiring Parties must deliver another Required Sale Notice in order to exercise their rights under this Section 2.7 with respect to such Transfer or any other Transfer.

(c) The Company and the Purchaser each agree that any and all Requiring Parties shall be third party beneficiaries of this Section 2.7.

3. Other Covenants of the Purchaser.

3.1. Holdback Agreement.

(a) The Purchaser hereby agrees that he or she will not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, regarding any Common Stock (or other securities) of the Company held by the Purchaser (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act pursuant to which

an Initial Public Offering is effected. The Company may impose stop-transfer instructions with respect to the Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day period. For the avoidance of doubt such agreement shall apply only to the Initial Public Offering.

(b) The Purchaser agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto.

3.2. Confidentiality. Purchaser will not at any time (whether during or after the Purchaser's employment with the Company or its Subsidiaries) disclose, retain, or use for the Purchaser's own benefit, purposes or account or the benefit, purposes or account of any other Person, other than the Company and any of its Affiliates, any trade secrets, know-how, software developments, inventions, formulae, technology, designs, databases and drawings, or any property or confidential information of the Company or any of its Affiliates relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising, costs, marketing, trading, investment, sales activities, promotion or the business and affairs of the Company generally, or of any Affiliate of the Company ("Confidential Information") without the written authorization of the Company; provided that the foregoing shall not apply to information which is not unique to the Company or which is generally known to the industry or the public other than as a result of the Purchaser's breach of this covenant or the wrongful acts of others who were under confidentiality obligations as to the item or items involved. Except as required by law, the Purchaser will not disclose to anyone, other than Purchaser's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that the Purchaser may disclose to any prospective future employer the provisions of this Section 3.2 provided they agree to maintain the confidentiality of such terms. The Purchaser agrees that upon termination of the Purchaser's employment with the Company or its Subsidiaries for any reason, the Purchaser will return to the Company immediately all reports, memoranda, books, papers, plans, information, lists, letters and other data, and all copies thereof or therefrom, in any way relating

to the business of the Company or any of its Affiliates, except that the Purchaser may retain only those portions of personal notes, notebooks and diaries that do not contain Confidential Information of the type described in the preceding sentence. The Purchaser further agrees that the Purchaser will not retain or use for the Purchaser's own benefit, purposes or account or the benefit, purposes or account of any other Person, other than the Company and any of its Affiliates, at any time any trade names, trademark, service mark, Internet domain names, other proprietary business designation, patent, or other intellectual property used or owned in connection with the business of the Company or its Affiliates.

3.3. Assignment of Options Proceeds. The Purchaser will indicate on Row 3(A) or 4(A), as applicable, of Schedule I the assignment of options proceeds only for those options that the Purchaser has validly tendered and not withdrawn prior to the date hereof.

4. Miscellaneous.

4.1. Effectiveness; Termination. This Agreement will be effective upon receipt of a confirmatory e-mail from the Purchaser with respect to his or her desire to purchase shares of Directly Owned Class A Common Stock following the effectiveness of the Registration

Statement, provided that the Company has received from the Purchaser a copy of this Agreement duly executed by the Purchaser and, if applicable, his or her spouse, with a properly completed Schedule I attached, and will terminate with respect to the provisions referred to below as follows: (i) with respect to Article 2 (other than Sections 2.5 and 2.7), on the Lapse Date; (ii) with respect to Sections 2.5 and 2.7, upon a Qualified Initial Public Offering; and (iii) with respect to all Sections (including, without limitation, all of Article 2) other than Sections 3.1 and 3.2 upon (A) the sale of all or substantially all of the equity interests in the Company to a third party resulting in a Change of Control, whether by merger, consolidation, share exchange, tender offer or otherwise, (B) the closing of a Majority Sale (other than Section 2.5(c), which shall survive such Majority Sale) resulting in a Change of Control, or (C) the approval in writing by the Company and the Purchaser.

4.2. Additional Shares. The Purchaser agrees that any other shares of Directly Owned Class A Common Stock which he or she shall hereafter acquires (including, without limitation, from Other Purchasers) by means of a stock split, stock dividend, distribution, exercise of stock options, purchase, acquisition or otherwise shall be subject to the provisions of this Agreement (other than Article 1) to the same extent as if held on the date hereof. For the avoidance of doubt, the foregoing sentence (i) shall not include, without limitation, any shares of Class A Common Stock (A) held in the 401(k) Plan prior to their distribution to the Purchaser pursuant to the terms of the 401(k) Plan or (B) underlying stock fund units in the DCP Plan prior to their distribution to the Purchaser pursuant to the terms of the DCP Plan, and (ii) shall include, without limitation, shares of Class A Common Stock (A) distributed to the Purchaser pursuant to the terms of the 401(k) Plan or the DCP Plan and (B) Option Shares.

4.3. Third Party Beneficiaries. Except as set forth in Section 2.7(c) hereto, no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

4.4. Purchaser's Employment or Engagement by the Company. Nothing contained in this Agreement shall be deemed to obligate the Company or any of its Subsidiaries to employ or engage the Purchaser in any capacity whatsoever or to prohibit or restrict the Company (or any such subsidiary) from terminating the employment or engagement, if any, of the Purchaser at any time or for any reason whatsoever, with or without Cause.

4.5. Non-Assignability. This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any party hereto without the express prior written consent of the other party, and any attempted assignment, without such consents, will be null and void; provided, however, that the Company may assign this Agreement to one or more of its Affiliates without such consent; provided, further, that with respect to any Person who acquires any shares of Directly Owned Class A Common Stock from the Purchaser in compliance with the terms hereof: (a) the Purchaser shall, prior to such Transfer, furnish to the Company written notice of the name and address of such

transferee, and (b) if such transferee is not an Other Purchaser, the Purchaser and such transferee shall execute and deliver to the Company prior to such Transfer an Assumption Agreement in the form of Exhibit C hereto (the "Assumption Agreement"), whereby the Purchaser and such transferee shall assume and be entitled to the rights and obligations under this Agreement to the extent described in the Assumption Agreement.

4.6. No Inconsistent Agreements. The Purchaser shall not enter into any agreement or other arrangement of any kind with any Person with respect to any Securities that is inconsistent with the provisions of this Agreement or that may impair his or her ability to comply with this Agreement.

4.7. Amendment; Waiver. This Agreement may be amended only by a written instrument signed by the parties hereto. No waiver by either party hereto of any of the provisions hereof shall be effective unless set forth in a writing executed by the party so waiving.

4.8. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in all respects under the laws of the State of Delaware. Any action to enforce which arises out of or in any way relates to any of the provisions of this Agreement may be brought and prosecuted in such court or courts located within the State of Delaware as provided by law, and the parties consent to the jurisdiction of such court or courts located within the State of Delaware and to service of process by registered mail, return receipt requested, or by any other manner provided by Delaware law.

4.9. Notices. Any notices or communications permitted or required hereunder shall be deemed sufficiently given if hand-delivered, or sent by (x) registered or certified mail return receipt requested, (y) telecopy or other electronic transmission service (to the extent receipt is confirmed other than by automatic means) or (z) by overnight courier, in each case to the parties at their respective addresses and telecopy numbers set forth below, or to such other address of which any party may notify the other party in writing.

(a) If to the Company, to it at the following address:

CBRE Holding, Inc.
c/o CB Richard Ellis Services, Inc.
200 North Sepulveda Boulevard
Suite 300
El Segundo, CA 90245-4380
Attention: General Counsel
Telecopy: (310) 563-8632

with a copy to:

RCBA Strategic Partners, L.P.
909 Montgomery Street
Suite 400
San Francisco, CA 94133
Attention: General Counsel
Telecopy: (415) 434-3130

with another copy to:

Simpson Thacher & Bartlett
3330 Hillview Avenue
Palo Alto, CA 94304
Attention: Richard Capelouto
Telecopy: (650) 251-5002

(b) If to the Purchaser or to any Permitted Transferee, to him or her at his or her address or telecopy number as set forth on the signature page hereto, with respect to the Purchaser, or the applicable Assumption Agreement, with respect to any Permitted Transferee.

4.10. Integration. This Agreement and the documents referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to the subject matter hereof and thereof. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

4.11. Counterparts. This Agreement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

4.12. Injunctive Relief. The Purchaser, on behalf of himself or herself and his or her Permitted Transferees, and the Company, on its own behalf and on behalf of its successors and assigns, each acknowledges and agrees that a violation of any of the terms of this Agreement will cause the other irreparable injury for which adequate remedy at law is not available. Accordingly, it is agreed that the Company or the Purchaser, as the case may be, shall be entitled to an injunction, restraining order or other equitable relief to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction in the United States or any state thereof, in addition to any other remedy to which it or he or she may be entitled at law or equity.

4.13. Severability. If one or more of the provisions, paragraphs, words, clauses, phrases or sentences contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision, paragraph, word, clause, phrase or sentence in every other respect and of the remaining provisions, paragraphs, words, clauses, phrases or sentences hereof shall not be in any way impaired, it being intended that all rights, powers and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

4.14. Rights to Negotiate. Nothing in this Agreement shall be deemed to restrict or prohibit the Company from purchasing any Securities from the Purchaser at any time upon such terms and conditions and at such price as may be mutually agreed upon between the Company and the Purchaser, whether or not at the time of such purchase circumstances exist

which specifically grant the Company the right to purchase, or the Purchaser the right to sell, Securities pursuant to the terms of this Agreement.

4.15. Rights Cumulative; Waiver. The rights and remedies of the Purchaser and the Company under this Agreement shall be cumulative and not exclusive of any rights or remedies which either would otherwise have hereunder or at law or in equity or by statute, and no failure or delay by either party in exercising any right or remedy shall impair any such right or remedy or operate as a waiver of such right or remedy, nor shall any single or partial exercise of any power or right preclude such party's other or further exercise or the exercise of any other power or right. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

4.16. Interpretation. The words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified. The headings in this Agreement are included for convenience of reference only and shall not limit or otherwise affect the meaning or interpretation of this Agreement. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

4.17. Shares Subject to the Incentive Plan and this Agreement. By entering into this Agreement the Participant agrees and acknowledges that the Participant has received a copy of the Incentive Plan. The shares of Directly Owned Class A Common Stock purchased by the Purchaser pursuant to this Agreement are subject to the Incentive Plan and this Agreement. In the event of a conflict between any term or provision of the Incentive Plan and any term or provision of this Agreement, the applicable terms and provisions of this Agreement will govern and prevail.

4.18. Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity hereof, shall be exclusively and finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration by a sole arbitrator. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. (S)(S) 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having

jurisdiction thereof. The place of the arbitration shall be Los Angeles, California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CBRE HOLDING, INC.

By:_____
Name:
Title:

PURCHASER:

_____
Name:
Address:

Fax Number:

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Employee Subscription Agreement between CBRE Holding, Inc. and the Purchaser named therein, I, _____, the spouse of the Purchaser named therein, do hereby join with my spouse in executing the foregoing Employee Subscription Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ ____, 2001 _____
[Spouse]

SCHEDULE I

Name of Purchaser: _____

Signature of Purchaser: _____

Date: _____

The Purchaser must fill in all of the blanks below (including filling in a zero if applicable). All capitalized terms used in this Schedule I shall have the meanings set forth in the Employee Subscription Agreement between the Purchaser and the Company.

Subscription of Shares for Direct Ownership
- ----------

1. Number of shares of Directly Owned Class A Common Stock that the Purchaser is subscribing for
==========

2. Total Purchase Price (equal to Row 1 multiplied by $16.00) $ _____

Payment
- -------

3. I want to assign the following proceeds that I would otherwise be entitled to receive in the Merger:

[_] All of my Merger Proceeds; or

$_____of my Merger Proceeds

4. I want to assign the following proceeds, net of withholding tax, that I would otherwise be entitled to receive in the offer to purchase options:

[_] All Options Proceeds

$_____of my Options Proceeds

Note: The Company will notify you if you must pay any New Cash Consideration in order to satisfy the Total Purchase Price for the shares you are subscribing for.

EXHIBIT A

DEFINITIONS

As used in this Agreement, terms defined in the headings shall have

their respective assigned meanings, and the following capitalized terms shall have the meanings ascribed to them below:

"Affiliate" means, with respect to any Person, (i) any Person that directly or indirectly controls, is controlled by or is under common control with, such Person, or (ii) any director, officer, partner or employee of such Person or any Person specified in clause (i) above, or (iii) any spouse, parent, child, step-child, grandchild, step-grandchild or sibling of any Person specified in clause (i) or (ii) above. As used in this definition of "Affiliate" and in this Agreement, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding anything to the contrary stated herein, the Company and its Subsidiaries shall not be considered Affiliates of RCBA Strategic.

"Agreement" means this Employee Subscription Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Assigned Merger Proceeds" shall have the meaning ascribed to such term in Section 1.7(a) hereto.

"Assigned Options Proceeds" shall have the meaning ascribed to such term in Section 1.7(b) hereto.

"Assumption Agreement" shall have the meaning ascribed to such term in Section 4.5 hereto.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means a day other than a Saturday, Sunday, holiday or other day on which commercial banks in New York City are authorized or required by law to close.

"Cause" means (i) the willful failure of the Purchaser to perform his or her duties to the Company or its Subsidiaries which is not cured within 10 days following written notice, (ii) the conviction of the Purchaser of a felony, (iii) willful malfeasance or misconduct by the Purchaser that is materially and demonstrably injurious to the Company or its Subsidiaries, or (iv) the breach by the Purchaser of the material terms of this Agreement, including, without limitation, Section 2.1, 3.1 and 3.2.

"CB Richard Ellis Services" means CB Richard Ellis Services, Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company, and shall also include its successors by means of a merger, consolidation, reorganization, recapitalization or similar transaction.

"CB Richard Ellis Services Common Stock" means the shares of common stock of CB Richard Ellis Services, $0.01 par value per share.

"CB Richard Ellis Services Options" means any option to purchase CB Richard Ellis Services Common Stock outstanding under any stock option or compensation plan or arrangement of CB Richard Ellis Services, whether or not vested.

"Change of Control" means (i) the sale or disposition, in one or a series of related transactions, of all, or substantially all, of the assets of the Company to any "person" or "group," as defined in Sections 13(d)(3) or 14(d)(2) of the Exchange Act (other than RCBA Strategic and its Affiliates, Freeman Spogli and their Affiliates or any group in which any of the foregoing is a member); or (ii) or any person or group (other than RCBA Strategic and its Affiliates, Freeman Spogli and their Affiliates or any group in which any of the foregoing is a member) is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company (including by way of merger, consolidation or otherwise) and the representatives of RCBA Strategic and its Affiliates, Freeman Spogli and their Affiliates or any group in which any of the foregoing is a member, individually or in the aggregate, cease to have the ability to elect a majority of the Board of Directors.

"Class A Common Stock" means the Class A common stock, par value $.01

per share, of the Company.

"Class B Common Stock" means the Class B common stock, par value $.01 per share, of the Company.

"Closing" shall have the meaning ascribed to such term in Section 1.3 hereto.

"Closing Date" shall have the meaning ascribed to such term in Section 1.3 hereto.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"Common Stock" means the Class A Common Stock and Class B Common Stock, collectively.

"Common Stock Equivalents" means any stock, warrants, rights, calls, options or other securities exchangeable or exercisable for, or convertible into, Common Stock.

"Company" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Confidential Information" shall have the meaning ascribed to such term in Section 3.2 hereto.

"Contribution Agreement" means the Amended and Restated Contribution and Voting Agreement, dated as of May 31, 2001, by and among the Company, Acquisition, RCBA Strategic, Freeman Spogli, Raymond Wirta, Brett White and the other parties thereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Co-Sale Amount" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

"Cost" means the purchase price of $16.00 per share of Class A Common Stock paid by the applicable Purchaser, as adjusted by the Board of Directors in good faith and on a consistent basis to reflect any stock splits, stock dividends, recapitalizations and other similar transactions.

"DCP Plan" means the Deferred Compensation Plan of CB Richard Ellis Services.

"Designated Manager Subscription Agreement" means any of the Designated Manager Subscription Agreements entered into by an employee of the Company and its Subsidiaries who was designated by the Board of Directors as a designated manager in connection with the Offerings.

"DGCL" means the Delaware General Corporation Law, as amended from time to time.

"Directly Owned Class A Common Stock" means any shares of Class A Common Stock directly held of record by the Purchaser, whether acquired pursuant to (i) this Agreement, (ii) the exercise of Options, (iii) the receipt of distributions from the 401(k) Plan or the DCP Plan, (iv) purchase or other acquisition from any Other Employee or Other Purchaser or (v) any other means either on the date hereof or in the future.

"Effective Time" shall have the meaning ascribed to such term in the Merger Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"Family Group" shall have the meaning ascribed to such term in Section 2.2(a) hereto.

"401(k) Plan" means the Capital Accumulation Plan of CB Richard Ellis Services.

"Freeman Spogli" means FS Equity Partners III, L.P. and FS Equity Partners International, L.P., collectively.

"Good Reason" means (i) a substantial diminution in the Purchaser's position or duties with the Company or its Subsidiaries, an adverse change in the reporting lines of the Purchaser, or the assignment to the Purchaser by the Company or its Subsidiaries of duties materially inconsistent with his or her position with the Company or its Subsidiaries; (ii) any reduction in the Purchaser's base salary or any material adverse change in the Purchaser's bonus opportunity; or (iii) the failure of the Company or its Subsidiaries to pay the Purchaser's compensation or benefits when due; in each of the foregoing clauses (i) through (iii), which is not cured within 30 days following the Company's receipt of written notice from the Purchaser describing the event that would constitute Good Reason if not cured within such period.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Incentive Plan" means the 2001 CBRE Holding, Inc. Stock Incentive Plan.

"Initial Public Offering" means the first Public Offering occurring after the date hereof.

"Lapse Date" means the earlier of (x) the tenth anniversary of the Closing Date and (y) the date that is 180 days after a Qualified Initial Public Offering is consummated.

"Majority Sale" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

"Merger" shall have the meaning ascribed to such term in the Merger Agreement.

"Merger Agreement" means the Amended and Restated Agreement and Plan of Merger, dated May 31, 2001, among the Company, BLUM CB Corp. and CB Richard Ellis Services.

"Merger Proceeds" means the amount set forth in Row 3 of Schedule I hereto.

"NASDAQ" means the National Association of Securities Dealers Automated Quotation System National Market.

"New Cash Consideration" shall have the meaning ascribed to such term in Section 1.4(a)(ii) hereto.

"New Certificates" shall have the meaning ascribed to such term in Section 1.3 hereto.

"Non-RCBA Strategic Party" means any Person other than RCBA Strategic or its Affiliates.

"Offerings" means the registered offerings to certain employees and independent contractors of the Company and its Subsidiaries pursuant to the Company's Incentive Plan, which offerings include shares of Directly Owned Class A Common Stock, shares of Class A Common Stock to be held in the 401(k) Plan, and shares of Class A Common Stock underlying stock fund units held in the DCP Plan.

"Old Certificates" shall have the meaning ascribed to such term in Section 1.4(a)(iii) hereto.

"Options Payment Consent" means the form of Consent and Letter of Transmittal previously distributed by, or on behalf of, CB Richard Ellis Services to each holder of CB Richard Ellis Services Options, pursuant to which each such holder is being requested to consent to the cancellation at the Effective Time of all CB Richard Ellis Services Options held by such holder as of the Effective Time, in exchange for an amount per share of CB Richard Ellis Services Common Stock subject to such canceled CB Richard Ellis Services Options equal to the greater of (i) the excess, if any, of (A) $16.00 over (B) the exercise price per share of CB Richard Ellis Services Common Stock subject to such canceled CB Richard Ellis Services Options and (ii) $1.00, in each case minus any applicable withholding taxes.

"Options Proceeds" means the amount set forth in Row 4 of Schedule I hereto.

"Other Employee" means any of the employees and independent contractors of the Company and its Subsidiaries other than the Purchaser.

"Other Purchaser" means any Other Employee that has (i) purchased Class A Common Stock from the Company and is party to a Designated Manager Subscription Agreement or an Employee Subscription Agreement or (ii) received Class A Common Stock pursuant to the DCP Plan or 401(k) Plan and has properly executed and delivered a Stockholder Agreement (as defined in the DCP Plan or 401(k) Plan) prior to such receipt.

"Ownership" means, with respect to any Person, all matters related to such Person's and such Person's Affiliates' (i) beneficial ownership of Common Stock, (ii) due authorization of a Transfer of such Common Stock, (iii) power to Transfer such Common Stock, and (iv) non-violation of agreements, laws, etc. relating to such Transfer of such Common Stock.

"Permitted Transferee" shall have the meaning ascribed to such term in Section 2.2(a) hereto.

"Person" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, Governmental Authority or other entity of any nature whatsoever.

"Proposed Transferee" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

"Prospectus" means the prospectus included in the Registration Statement filed by the Company.

"Public Offering" means an underwritten offering of Securities to the public pursuant to an effective registration statement filed under the Securities Act.

"Purchaser" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Purchasing Party" shall have the meaning ascribed to such term in Section 2.7(a) hereto.

"Qualified Initial Public Offering" shall mean a Public Offering after the Effective Time pursuant to which the Class A Common Stock becomes listed on a national securities exchange or on the NASDAQ.

"RCBA Strategic" means RCBA Strategic Partners, L.P., a Delaware limited liability company, together with its successors.

"Registration Statement" means the Registration Statement on Form S-1 filed with the SEC by the Company in connection with the Offerings.

"Regulations" means the regulations promulgated under the Code.

"Required Sale Notice" shall have the meaning ascribed to such term in Section 2.7(b) hereto.

"Requiring Parties" shall have the meaning ascribed to such term in Section 2.7(a) hereto.

"Securities" means (i) shares of Common Stock, (ii) Common Stock Equivalents and (iii) other securities of the Company other than debt securities that are not Common Stock Equivalents.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"Stockholders" means RCBA Strategic, Freeman Spogli, the Purchaser, the Other Purchasers and all of the other holders of Common Stock.

"Stock Power" shall have the meaning ascribed to such term in Section 1.4(a)(iii) hereto.

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which fifty percent (50%) or more of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, or fifty percent (50%) or more of the equity interest therein, is at the time owned or controlled, directly or indirectly, by any Person or one or more of the other Subsidiaries of such Person or a combination thereof.

"Total Purchase Price" shall have the meaning ascribed to such term in Section 1.1(a) hereto.

"Transfer" means any transfer, sale, assignment, distribution, exchange, mortgage, pledge, hypothecation or other disposition of any Securities or any interest therein, including transfers by operation of law in connection with a merger transaction or otherwise.

"Transferring Stockholders" shall have the meaning ascribed to such term in Section 2.5(a) hereto.

EXHIBIT B

FORM OF STOCK POWER

FOR VALUE RECEIVED, _____
hereby sell(s), assign(s) and transfer(s) unto_____
_____
_____
(_____) Shares of the _____ Stock of _____ standing in my (our) name(s) on the books of said Corporation represented by Certificate(s) No(s). _____
herewith, and do(es) hereby irrevocably constitute and appoint _____
attorney to transfer the said stock on the books of said Corporation with full power of substitution in the premises.

Dated: _____

_____
[Purchaser]

EXHIBIT C

FORM OF ASSUMPTION AGREEMENT

[DATE]

CBRE Holding, Inc.
c/o CB Richard Ellis Services, Inc.
200 North Sepulveda Blvd., Suite 300
El Segundo, CA 90245-4380

Attention: General Counsel

Dear Sir or Madam:

Reference is made to the Employee Subscription Agreement, dated as of _____ ___, 2001 (the "Employee Subscription Agreement"), between CBRE Holding, Inc. and the undersigned Purchaser. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Employee Subscription Agreement.

In consideration of the representations, covenants and agreements contained in the Employee Subscription Agreement, the undersigned Permitted Transferee hereby confirms and agrees that he or she shall be bound by the following provisions thereof as if such Permitted Transferee were a Purchaser: Articles 2, 3 and 4.

Notwithstanding anything to the contrary stated herein or in the Employee Subscription Agreement, the Purchaser shall remain bound by, and subject to, each of the provisions of the Employee Subscription Agreement in accordance with the terms thereof.

This Assumption Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed and to be performed entirely within that state.

Very truly yours,

PERMITTED TRANSFEREE:

_____
Name:
Address:

Fax Number:

PURCHASER:

_____
Name:

EXHIBIT 4.5

$65,000,000

CBRE Holding, Inc.

16% Senior Notes Due 2011

339,820 Shares of Class A Common Stock

PURCHASE AGREEMENT

June 29, 2001

Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010-3629

Dear Sirs:

1. Introductory. CBRE Holding, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to Credit Suisse First Boston Corporation ("CSFBC" or the "Initial Purchaser") $65,000,000 aggregate principal amount of its 16% Senior Notes Due 2011 (the "Notes") and 339,820 shares of Class A common stock (the "Common Stock") of the Company, par value $0.01 per share (the "Shares" and together with the Notes, the "Offered Securities"). The Notes are to be issued pursuant to an indenture (the "Indenture") to be dated as of the Closing Date (as defined below), between the Company and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"). As part of the transactions (the "Transactions") as defined in the "Description of the Notes" and as described under the heading "The Transactions" in the Offering Document (as defined herein), BLUM CB Corp. will merge with and into CB Richard Ellis Services, Inc., a Delaware corporation ("CBRESI"), with CBRESI as the surviving corporation in such merger (the "Merger"). Concurrently with the consummation of the Merger, (1) the Company will execute a Notes Registration Rights Agreement (the "Notes Registration Rights Agreement"), a Securityholders' Agreement (the "Securityholders Agreement"), and an Anti-Dilution Agreement (the "Anti-Dilution Agreement") and (2) CBRESI will enter into a credit agreement (together with the related guaranties and security documents, the "Credit Agreement") among itself, the guarantors named therein, Credit Suisse First Boston, New York branch, as administrative agent, and the lenders named therein.

This Agreement, the Indenture, the Offered Securities, the Exchange Securities (as defined in the Notes Registration Rights Agreement), the Notes Registration Rights Agreement, the Securityholders Agreement and the Anti-Dilution Agreement are sometimes referred to in this Agreement collectively as the "Operative Documents". All material agreements and instruments relating to the Transactions (including, but not limited to, the Merger Agreement and the Credit Agreement) are sometimes referred to in this Agreement collectively as the "Transaction Agreements". The Operative Documents and the Transaction Agreements are sometimes referred to in this Agreement collectively as the "Transaction Documents". References in this Agreement to the subsidiaries of the Company shall include all direct and indirect subsidiaries of the Company after the consummation of the Merger.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Offering Document (as defined below).

The Company hereby agrees with the Initial Purchaser as follows:

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, the Initial Purchaser that:

(a) An offering circular dated the date of this Agreement relating to the Offered Securities to be purchased by the Initial Purchaser has been prepared by the Company. Such offering circular, as the same may be supplemented prior to the closing of the offering is hereinafter referred to as the "Offering Document". On the date of this Agreement, the Offering Document does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements or omissions from the Offering Document based upon written information furnished to the Company by the Initial Purchaser specifically for use therein, it being understood and agreed that the only such information is

that described in Section 7(b) hereof.

(b) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own its properties and conduct its business as described in the Offering Document, and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not have a material adverse effect on the business, financial condition or results of operation of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect").

(c) Each subsidiary of the Company has been duly incorporated and is an existing corporation, limited liability company or limited partnership, as the case may be, in good standing (if applicable) under the laws of the jurisdiction of its incorporation or organization, with power and authority to own its properties and conduct its business as described in the Offering Document, and each subsidiary of the Company is duly qualified to do business as a foreign corporation, limited liability company or limited partnership, as the case may be, in good standing (if applicable) in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not have a Material Adverse Effect; all of the issued and outstanding capital stock, ownership interests or partnership interests, as the case may be, of each subsidiary of the Company have been, and immediately following the Merger will be, duly authorized and validly issued and, in the case of capital stock, is fully paid and nonassessable; and except as disclosed in the Offering Document and for pledges in favor of Credit Suisse First Boston, New York branch, as collateral agent under the Credit Agreement, the capital stock, ownership interests or partnership interests, as the case may be, of the Company and each subsidiary owned by the Company, directly or through subsidiaries, will be owned free from liens, encumbrances and defects immediately following the Merger and the other Transactions.

(d) The Indenture has been duly authorized by the Company; the Notes have been duly authorized by the Company; and when the Notes are delivered and paid for pursuant to this Agreement and the Indenture on the Closing Date (as defined below), assuming due authorization, execution and delivery of the Indenture by the Trustee, the Indenture will have been duly executed and delivered by the Company, such Notes will have been duly executed, authenticated, issued and delivered by the Company (assuming authentication by the Trustee in accordance with the provisions of the Indenture) and the Indenture and such Notes will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms and entitled to the benefits of the Indenture (assuming that the Indenture is a valid and legally binding obligation of the Trustee), subject to (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights, (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) and (iii) an implied covenant of good faith and fair dealing.

(e) The Exchange Securities have been duly authorized by the Company. When the Exchange Securities are issued, executed and authenticated in accordance with the terms of the Exchange Offer and the Indenture, the Ex-

change Securities (assuming authentication by the Trustee in accordance with the provisions of the Indenture) will be entitled to the benefits of the Indenture and will be the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms (assuming that the Indenture is a valid and legally binding obligation of the Trustee), subject to (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights, and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(f) The Indenture conforms in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "TIA" or the "Trust Indenture Act"), and the rules and regulations of the Securities and Exchange Commission (the "Commission") applicable to an indenture which is qualified thereunder.

(g) The Shares have been duly reserved for issuance by the Company, the issuance of the Shares has been duly authorized by the

Company, and the Shares, when delivered pursuant to the terms of this Agreement, will be validly issued, fully paid and nonassessable, and except as set forth in the Offering Document no holder of any securities of the Company has any preemptive or other similar rights to subscribe for or to purchase any common stock of the Company arising by operation of the General Corporation Law of the State of Delaware, under the Certificate of Incorporation or bylaws of the Company or pursuant to the terms of any agreement or instrument to which the Company is a party.

(h) Except as disclosed in the Offering Document, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or the Initial Purchaser for a brokerage commission, finder's fee or other like payment in connection with the Offered Securities.

(i) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement, the Registration Rights Agreement, the Anti-Dilution Agreement, the Securityholders Agreement or any other Transaction Document, in each case, in connection with the consummation of the transactions contemplated therein, except as may be required under the Securities Act, the TIA and the rules and regulations of the Commission thereunder with respect to the Exchange Offer Registration Statement or the Shelf Registration Statement (each as defined in the Notes Registration Rights Agreement) or the transactions contemplated by the Notes Registration Rights Agree-

ment, the Anti-Dilution Agreement, the Securityholders Agreement or any state or foreign securities laws or by the regulations of the National Association of Securities Dealers, Inc.

(j) Assuming the accuracy of the representations of the other parties thereto and the performance by those parties of their agreements therein, the execution, delivery and performance by the Company and the subsidiaries of the Company (to the extent a party thereto) of each of the Transaction Documents and their compliance with the terms and provisions thereof and the consummation of the Transactions will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, that has jurisdiction over the Company, or any of the Company's subsidiaries or any of their properties, (ii) the Transaction Documents or any agreement or instrument to which the Company or any of the Company's subsidiaries is a party or by which the Company or any of the Company's subsidiaries is bound or to which any of the properties of the Company or the Company's subsidiaries is subject or (iii) the charter, by-laws or similar governing documents of the Company or any of the Company's subsidiaries, except, with respect to clauses (i) and (ii), where such breach, violation or default would not have a Material Adverse Effect or would not have a material adverse effect on the Company's power or ability to consummate the Transactions; the Company has full corporate power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement.

(k) None of the Company or any of the subsidiaries of the Company is in breach or violation of any of the terms and provisions of, or in default under, (i) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, that has jurisdiction over the Company or any of the Company's subsidiaries or any of their properties, (ii) any agreement or instrument to which the Company or any of the Company's subsidiaries is a party or by which the Company or any of the Company's subsidiaries is bound or to which any of the properties of the Company or the Company's subsidiaries is subject or (iii) the charter, by-laws or similar governing document of the Company or any of the Company's subsidiaries, except with respect to clauses (i) and (ii) for any breaches, violations or defaults that would not have a Material Adverse Effect or would not have a material adverse effect on the Company's power or ability to consummate the Transactions.

(l) This Agreement has been duly authorized, executed and delivered by the Company. Each of the other Operative Documents has been, or

as of the Closing Date will have been, duly authorized, executed and delivered by the Company. All of the Transaction Agreements have been, or will be as of or on the Closing Date, duly authorized, executed and delivered by each of the Company and the Company's subsidiaries (to the extent a party thereto). Each Transaction Document conforms or, at the Closing Date, will conform in all material respects to the descriptions thereof contained in the Offering Document and each Operative Document (other than this Agreement) is or will constitute valid and legally binding

obligations of the Company and each Transaction Agreement constitutes or will, at the Closing Date, constitute valid and legally binding obligations of the Company to the extent it is a party thereto, enforceable in accordance with its respective terms, except that any rights to indemnity and contribution may be limited by federal and state securities laws and public policy considerations and subject to (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights, (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) and (iii) an implied covenant of good faith and fair dealing.

(m) Except as disclosed in the Offering Document, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them that are material to the Company and its subsidiaries taken as a whole, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or proposed to be made thereof by them; and except as disclosed in the Offering Document, the Company and its subsidiaries hold any leased real or personal property that is material to the Company and its subsidiaries taken as a whole under valid and enforceable leases with no exceptions that would materially interfere with the use made or proposed to be made thereof by them.

(n) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(o) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that would reasonably be expected to have a Material Adverse Effect.

(p) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(q) Except as disclosed in the Offering Document, neither the Company nor any of its subsidiaries is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(r) Except as disclosed in the Offering Document, there are no pending actions, suits or proceedings against or affecting the Company, any of the Company's subsidiaries or any of their respective properties that (i) if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, (ii) would materially and adversely affect the ability of the Company to perform its obligations under the Transaction Documents or (iii) are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are, to the knowledge of the Company, threatened or contemplated.

(s) The historical financial statements included in the Offering Document present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis and the assumptions used in preparing the pro forma financial statements included in the Offering Document provide a reasonable basis for presenting the significant effects directly attributable to the transactions or

events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(t) To our knowledge, no "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act (i) has imposed (or has informed the Company or any of the Company's subsidiaries that it is considering imposing) any condition (financial or otherwise) on the Company's or any of the Company's subsidiaries retaining any rating assigned to the Company or any securities of the Company or any of the Company's subsidiaries or (ii) has indicated to the Company that it is considering (a) the downgrading, suspension or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (b) any change in the outlook for any rating of the Company or any of the Company's subsidiaries or any securities of the Company or any of the Company's subsidiaries.

(u) Except as disclosed in the Offering Document, since the date of the latest audited financial statements of the Company included in the Offering Document, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Offering Document, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(v) The Company is not, and following the consummation of the Merger, the Company will not be, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act of 1940 (the "Investment Company Act"); and the Company is not and, after giving effect to the offering and sale of the Offered Securities, the other Transactions and the application of the proceeds thereof as described in the Offering Document, will not be an "investment company" as defined in the Investment Company Act.

(w) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Offered Securities are listed on any national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 ("Exchange Act") or quoted in a U.S. automated inter-dealer quotation system.

(x) Assuming the accuracy of the representations and the performance by the Initial Purchaser of its agreements contained herein, the offer and sale of the Offered Securities in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act by reason of Section 4(2) thereof and Regulation S thereunder.

(y) None of the Company, nor any of its respective affiliates, nor any person acting on its or their behalf has offered or will offer or sell the Offered Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act. None of the Company nor any of the Company's subsidiaries has entered or will enter into any contractual arrangement with respect to the distribution of the Offered Securities except for this Agreement.

(z) The Offering Document, as of its date, contains all the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

3. Purchase, Sale and Delivery of Offered Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions set forth herein, the Company agrees to sell to the Initial Purchaser, and the Initial Purchaser agrees to purchase from the Company, all of the Offered Securities at a purchase price of $63,525,020 in the aggregate.

The Company and the Initial Purchaser agree that the issue price of the Offered Securities for U.S. Federal Income tax purposes is $916.35 per $1,000 principal amount of Notes and $16.00 per Share.

The Company will deliver against payment of the purchase price the Notes in the form of one or more permanent global securities in definitive form (the "Global Securities") deposited with the Trustee as custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent Global Securities will be held only

in book-entry form through DTC, except in the limited circumstances described in the Offering Document. The Company will deliver against payment of the purchase price of the Shares, one or more certificates for the Shares in definitive form in such denominations and registered in such names as the Initial Purchaser may request in writing at least three full business days before the Closing Date. Payment for the Offered Securities shall be made by the Initial Purchaser in Federal (same day) funds by official check or checks or wire transfer to an account at a bank acceptable to CSFBC drawn to the order of CBRE Holding, Inc. at the office of Simpson Thacher & Bartlett, Palo Alto, California at 12:00 P.M. (California time), on July 20, 2001, or at such other time not later than seven full business days thereafter as CSFBC and the Company determine, such time being herein re-

ferred to as the "Closing Date", against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Offered Securities. The Global Securities will be made available for checking at the office of Simpson Thacher & Bartlett, Palo Alto, Calfornia at least 24 hours prior to the Closing Date.

4. Representations by Initial Purchaser; Resale by Initial Purchaser.

(a) The Initial Purchaser represents and warrants to the Company that it is an "accredited investor" within the meaning of Regulation D under the Securities Act .

(b) The Initial Purchaser acknowledges that the Offered Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. The Initial Purchaser represents and agrees that it has offered and sold the Offered Securities, and will offer and sell the Offered Securities, only (i) in accordance with Rule 144A under the Securities Act ("Rule 144A") and (ii) to a limited number of institutional investors reasonably believed by the Initial Purchaser to be "Accredited Investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under Regulation D of the Securities Act), in private sales exempt from registration under the Securities Act, in each case who have executed or have agreed to execute the Securityholders Agreement. Accordingly, none of the Initial Purchaser or its affiliates, or any person acting on their behalf, has engaged or will engage in any directed selling efforts with respect to the Offered Securities, and the Initial Purchaser, its affiliates and all persons acting on their behalf have complied and will comply with the offering restrictions requirement of Rule 144A.

(c) The Initial Purchaser agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities except with the prior consent of the Company.

(d) The Initial Purchaser agrees that it and each of its affiliates will not offer or sell the Offered Securities in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. The Initial Purchaser agrees, with respect to resales made in reliance on Rule 144A of any of the Offered Securities, to deliver either with the confir-

mation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Offered Securities has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(e) The Initial Purchaser agrees that it will not offer, sell or deliver any of the Offered Securities in any jurisdiction outside of the United States.

5. Certain Agreements of the Company. The Company agrees with the Initial Purchaser that:

(a) The Company will advise CSFBC promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without CSFBC's consent, which consent shall not be unreasonably withheld or delayed. If, at any time prior to the completion of the resale of the Offered Securities by the Initial Purchaser, any event occurs as a result of which the Offering Document as

then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Company promptly will notify CSFBC of such event and promptly will prepare, at its own expense, an amendment or supplement which will correct such statement or omission. Neither CSFBC's consent to, nor its delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(b) The Company will furnish to CSFBC copies of any Offering Document and all amendments and supplements to any such document, in each case as soon as available and in such quantities as CSFBC reasonably requests. Subject to the terms of the Securityholders Agreement with respect to the Shares, at any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company will promptly furnish or cause to be furnished to CSFBC and, upon request of holders and prospective purchasers of the Offered Securities, to such holders and purchasers, copies of the additional information required to be delivered to holders and prospective purchasers of the Offered Securities pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Offered Securities (the "Additional Company Information"). The Company will pay the expenses of printing and distributing to the Initial Purchaser all such documents.

(c) The Company will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States as CSFBC designates and will continue such qualifications in effect so long as required for the resale of the Offered Securities by the Initial Purchaser; provided, however, that the Company will not be required to qualify as a
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foreign corporation or to file a general consent to service of process or to subject itself to taxation in respect of doing business in any such state where it is not then required to be so qualified or subject to taxation.

(d) During the period of three years hereafter, the Company will furnish to CSFBC as soon as practicable after the end of each fiscal year, a copy of its annual report to shareholders for such year; and the Company will furnish to CSFBC, as soon as available, a copy of each report and any definitive proxy statement of it filed with the Commission under the Exchange Act or mailed to holders of Offered Securities or of any securities of the Company which have been registered under Section 12 of the Exchange Act.

(e) During the period of two years after the Closing Date, the Company will, upon request, furnish to CSFBC, and upon request, furnish to any holder of Offered Securities, a copy of the restrictions on transfer applicable to the Offered Securities.

(f) During the period of two years after the Closing Date, the Company will not and will not permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Offered Securities that have been reacquired by any of them.

(g) During the period of two years after the Closing Date, the Company will not become an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

(h) The Company will pay all expenses of the Company and its subsidiaries incidental to the performance of the obligations of the Company and the Company's subsidiaries under this Agreement, the Indenture, the Registration Rights Agreement, the Anti-Dilution Agreement, the Securityholders Agreement and the other Transaction Documents, including (i) the fees and expenses of counsel and accountants for the Company, and of the Trustee and its professional advisers; provided, however, that the
                                                -------- -------
Company shall not be responsible for the payment of fees and expenses of Arthur Anderson LLP, to the extent attributable to the preparation and delivery of a comfort letter to the Initial Purchaser; (ii) all ex-

penses in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Securities and, as applicable, the Exchange Securities, and the printing of the Offering Document and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Offered Securities and as applicable, the Exchange Securities; (iii) the cost of listing the Offered Securities and qualifying the Offered Securities for trading in The

PortalSM Market ("PORTAL") and any expenses incidental thereto; (iv) the cost of any advertising approved by the Company in connection with the issue of the Offered Securities; and (v) expenses incurred in printing and distributing any Offering Document (including any amendments and supplements thereto) to or at the direction of the Initial Purchaser. In addition, the Company will pay the reasonable fees and expenses of Cahill Gordon & Reindel, special counsel to the Initial Purchaser. Each party will pay its own expenses in connection with attending or hosting meetings with prospective purchasers of the Offered Securities from the Initial Purchaser.

(i) In connection with the offering, until CSFBC shall have notified the Company of the completion of the resale of the Offered Securities, none of the Company or any of its respective affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Securities or attempt to induce any person to purchase any Offered Securities; and none of them nor any of their affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Securities.

(j) For a period of 120 days after the date of the initial offering of the Offered Securities by the Initial Purchaser, except as described in the section entitled "The Transactions" in the Offering Document, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any United States dollar-denominated debt securities issued or guaranteed by the Company and having a maturity of more than one year from the date of issue. The Company will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act to cease to be applicable to the offer and sale of the Offered Securities.

(k) The Company will use the net proceeds from the sale of the Offered Securities in substantially the manner described in the Offering Document under the caption "Use of Proceeds".

(l) None of the Company or any of its subsidiaries will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that would be integrated with the sale of the Offered Securities in a manner that would require the registration under the Securities Act of the sale to the Initial Purchaser of the Offered Securities or to take any other action that would result in the resale of the Offered Securities not being exempt from registration under the Securities Act.

(m) None of the Company or any of its subsidiaries will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the resale of the Offered Securities. Except as permitted by the Securities Act, the Company will not distribute any (i) preliminary offering memorandum or offering memorandum, including without limitation, the Offering Document, or (ii) other offering material in connection with the offering and sale of the Offered Securities.

(n) On the Closing Date, the Company shall deliver to the Initial Purchaser Secretary's Certificates reasonably satisfactory to the Initial Purchaser which shall include the following documents with respect to the Company and each of the Company's U.S. subsidiaries: (1) certificates of incorporation or formation, as applicable, (2) by-laws or other similar governing documents, (3) resolutions and (4) certificates of good standing and/or qualification to do business as a foreign corporation in such jurisdictions as the Initial Purchaser may reasonably request.

(o) On the Closing Date, the Company shall cause the Initial Purchaser to receive a copy of the opinions delivered in connection with the consummation of the Credit Agreement, which opinions shall expressly state that the Initial Purchaser is justified in relying upon the opinions therein.

6. Conditions to the Obligations of the Initial Purchaser. The obligations of the Initial Purchaser to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of officers of the Company made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Initial Purchaser shall have received a letter, dated the date of this Agreement, of Arthur Andersen LLP in a form satisfactory to

the Initial Purchaser in all respects.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) a change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the reasonable judgment of CSFBC, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market, or (ii) (A) any change, or any development or event involving a prospective change, in the financial condition, business, properties or results of operations of the Company or its subsidiaries which, in the reasonable judgment of CSFBC, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Securities; (B) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (C) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (D) any banking moratorium declared by U.S. Federal or New York authorities; or (E) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of CSFBC, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Offered Securities.

(c) There shall exist at and as of the Closing Date no condition that would constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) under any Transaction Agreement as in effect or as in draft form at the Closing Date.

(d) The Initial Purchaser shall have received an opinion and a letter, each dated the Closing Date, of Simpson Thacher & Bartlett, counsel to the Company, substantially in the form of Exhibit A attached hereto. The
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Initial Purchaser shall have received an opinion, dated the Closing Date, of Walter Stafford, Esq., Senior Vice President, Secretary and General Counsel of CBRESI, substantially in the form of Exhibit B attached hereto.

(e) The Initial Purchaser shall have received (i) a letter from Cravath Swaine & Moore, counsel for the Initial Purchaser, dated the Closing Date and in form and substance reasonably satisfactory to the Initial Purchaser and (ii) an opinion and a letter from Cahill Gordon & Reindel, special counsel for the Initial Purchaser, each dated the Closing Date, as to the validity of the Securities and in form and substance reasonably satisfactory to the Initial Purchaser.

(f) The Initial Purchaser shall have received a certificate, dated the Closing Date, of the Chief Executive Officer or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties made by the Company in this Agreement are true and correct and that, subsequent to the respective date of the most recent financial statements in the Offering Document, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Offering Document or as described in such certificate.

(g) The Initial Purchaser shall have received a letter, dated the Closing Date, of Arthur Anderson LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection.

(h) Substantially concurrent with the closing in respect of the Offered Securities, the Merger shall be consummated and the proceeds from the sale of the BLUM CB Corp. 11 1/4% Senior Subordinated Notes due June 15, 2011 shall be released from escrow.

(i) The Company and the Trustee shall have entered into the Indenture and you shall have received counterparts, conformed as executed,

thereof.

(j) The Company shall have entered into the Notes Registration Rights Agreement and you shall have received counterparts, conformed as executed, thereof.

(k) The Company shall have entered into the Anti-Dilution Agreement and you shall have received counterparts, conformed as executed, thereof.

(l) The Company shall have entered into the Securityholders Agreement and you shall have received counterparts, conformed as executed, thereof.

(m) The Notes shall have been designated PORTAL securities in accordance with the rules and regulations adopted by the NASD relating to trading in the PORTAL market.

(n) On or prior to the Closing Date, the Company shall have provided to the Initial Purchaser and counsel to the Initial Purchaser copies of all Transaction Documents executed and delivered on or prior to such date, including but not limited to legal opinions relating to the Transactions.

(o) On or prior to the Closing Date, the Company shall have paid in full all fees and expenses owing pursuant to the Commitment Letter dated February 23, 2001, as amended through the Closing Date, between DLJ Investment Funding II, L.P. and CBRE Holding, Inc.

7. Indemnification and Contribution.

(a) The Company will indemnify and hold harmless the Initial Purchaser, its partners, directors and officers and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Initial Purchaser may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any breach of any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Company's failure to perform its obligations under Section 5(a) of this Agreement, and will reimburse the Initial Purchaser for any legal or other expenses reasonably incurred by the Initial Purchaser in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by the Initial Purchaser specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below.

(b) The Initial Purchaser will indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document or any amendment or supplement thereto or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by CSFBC specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Initial Purchaser consists of (i) the following information in the Offering Document: under the caption "Plan of

Distribution", the seventh, eighth, ninth, tenth and eleventh paragraphs, and the fourth sentence of the sixth paragraph; provided, however, that the Initial Purchaser shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party

and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Initial Purchaser on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Initial Purchaser on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Initial Purchaser on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Initial Purchaser from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Initial Purchaser and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), the Initial Purchaser shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by the Initial Purchaser exceeds the amount of any damages which the Initial Purchaser would have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls such Initial Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations

of the Initial Purchaser under this Section shall be in addition to any liability which the Initial Purchaser may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act.

8. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or any of its officers and of the Initial Purchaser set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchaser, the Company or any of its respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If for any reason the purchase of the Offered Securities by the Initial Purchaser is not consummated, the Company and the Initial Purchaser shall remain responsible for their respective expenses to be paid or reimbursed by them pursuant to Section 5(h), except that the Company shall not be responsible for the fees and expenses of counsel to the Initial Purchaser, and the respective obligations of the Company and the Initial Purchaser pursuant to Section 7 shall remain in effect.

9. Notices. All communications hereunder will be in writing and, if sent to the Initial Purchaser, will be mailed, delivered or telegraphed and confirmed to the Initial Purchaser at Eleven Madison Avenue, New York, New York 10010-3629, Attention: Investment Banking Department - Transactions Advisory Group, or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at CBRE Holding, Inc., 909 Montgomery Street, Suite 400, San Francisco, California 94133, Attention: Claus Moller.

10. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder, except that holders of Offered Securities shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Company as if such holders were parties thereto.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

12. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with the Initial Purchaser's understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the Initial Purchaser in accordance with its terms.

Very truly yours,

CBRE HOLDING, INC.

By: /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

The foregoing Purchase Agreement
is hereby confirmed and accepted
as of the date first above written.

Credit Suisse First Boston Corporation

By: /s/ Malcolm Price

Name: Malcolm Price
Title: Managing Director

Exhibit 4.6

PLEDGE AGREEMENT

Pledge Agreement, dated as of _____ __,2001 made by _____ (the "Pledgor"), to CBRE Holding, Inc., a Delaware corporation formerly known as BLUM CB Holding Corp. (the "Company"). Capitalized terms that are not defined herein shall have the meanings ascribed to them in the Note (as defined below).

Pledgor (i) is the owner of shares of the Company's Class A Common Stock, par value $0.01 per share, identified on Schedule 1 hereto (the "Pledged Interests"). The Company is loaning Pledgor _____ Dollars ($_____) (the "Loan"), to be evidenced by a full recourse note to be executed by Pledgor simultaneously herewith (the "Note"). It is a condition precedent to the making of the Loan under the Note that Pledgor shall have made the pledge contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Company to make the Loan under the Note, Pledgor hereby agrees with the Company as follows:

1. Pledge. Pledgor hereby pledges to the Company and grants the Company a first priority security interest in (a) the Pledged Interests and (b) all Proceeds and products thereof, accessions thereto and substitutions therefore, including, without limitation, all Investment Property and General Intangibles included therein and all dividends, distributions, rights and interests that may, from time to time, be issued, granted or arise in respect thereof (collectively, the "Collateral"). As used herein, the terms "Proceeds," "Investment Property" and "General Intangibles" shall have the respective meanings set forth in the Uniform Commercial Code of New York as in effect on the date hereof.

2. Security for Obligations. This Pledge Agreement secures the payment of all of Pledgor's obligations under the Note and this Pledge Agreement (including, without limitation, interest accruing at the then applicable rate provided in the Note after the maturity of the Loan and interest accruing at the then applicable rate provided in the Note after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Pledgor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether due or to become due or now existing or hereafter incurred (the "Obligations").

3. Delivery of Pledged Collateral. All certificates or instruments representing or evidencing the Pledged Interests, including Collateral received by the Borrower after the date hereof, shall be delivered to and held by the Company and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Company.

4. Representations and Warranties. Pledgor represents and warrants that (i) Pledgor is the legal and beneficial owner of the Pledged Interests and (ii) no lien, security interest, pledge, hypothecation or similar encumbrance exists on the Collateral (except as created hereunder) ("Lien").

5. Disposition. The Pledgor may not sell, exchange or otherwise dispose of any of the Pledged Interests unless the Pledgor has repaid the amount of unpaid principal and any accrued and unpaid interest on the Note in full. Without the prior written consent of the

Company, the Pledgor will not (a) grant any option with respect to, create, incur or permit to exist any Lien or option in favor of or any claim of any Person with respect to, any of the Collateral, or any interest therein, except for the security interests created by this Pledge Agreement, or (b) enter into any agreement or undertaking restricting the right or ability of the Pledgor or

the Company to Transfer any of the Collateral, except for the restrictions set forth herein with respect to the Pledgor.

6. Indemnity. The Pledgor shall pay, and save the Company and its directors, employees and affiliates harmless from, any and all liabilities and expenses related to or arising from the Note or the Pledge Agreement or any exercise of remedies in respect thereof, including with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Pledge Agreement.

7. Rights and Remedies of the Company. If any obligation under the Note is not paid in full when due, or if any obligation thereunder is accelerated as set forth therein (except in the case of an insolvency event described in clause (a) of Section 2 of the Note, in which case no notice shall be required), (a) the Company shall, by notice to the Pledgor of its intent to exercise such rights, have the right to receive any and all cash payments or distributions paid in respect of the Collateral and make application thereof to the Obligations in such order as the Company may determine, and to exercise all rights of the Pledgor in respect of the Collateral and (b) shall have and may exercise all the rights and remedies in respect of the Collateral and the Obligations of a secured party under the New York Uniform Commercial Code, and may apply any Proceeds from time to time to the Obligations in such manner as it may elect. To the extent permitted by applicable law, the Pledgor waives all claims, damages and demands it may acquire against the Company arising out of the exercise by them of any rights hereunder. The Pledgor shall remain liable for any deficiency if the proceeds of any sale or other disposition of Collateral are insufficient to pay the Obligations.

8. Cash Dividends; Voting Rights. Unless any obligation under the Note is not paid in full when due, or if any obligation thereunder is accelerated as set forth therein (except in the case of an insolvency event described in clause (a) of Section 2 of the Note, in which case no notice shall be required), the Pledgor shall be permitted (a) to receive, upon repayment of the Note and all accrued and unpaid interest thereon, all cash dividends paid in respect of the Pledged Interests and (b) to exercise all voting and corporate rights with respect to the Pledged Interests.

9. Further Assurances. Pledgor agrees that from time to time the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Company may request, in order to perfect and protect the pledge and first priority security interest granted hereby, and further authorizes the Company to file financing statements with respect to the Collateral with the signature of the Pledgor as the Company determines appropriate.

10. Continuing Security Interest. This Agreement shall be a continuing assignment of, and security interest in, the Collateral and shall remain in full force and effect until payment of all obligations under the Note. Upon the payment in full of all such obligations,

Pledgor shall be entitled to the return of the Pledged Interests and to the release of the Company's security interest in the Collateral.

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

IN WITNESS WHEREOF, Pledgor has caused this Agreement to be duly executed and delivered as of the date first written above.

_____
Name:
Address:

Schedule 1

_____ shares of Class A Common Stock, par value $.01 per share, of CBRE Holding, Inc.

EXHIBIT 4.7

INDENTURE

Between

CB COMMERCIAL REAL ESTATE SERVICES GROUP, INC.

and

_____, AS TRUSTEE

Dated as of _____, 1998

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/1/ This Table is not part of the Indenture.

INDENTURE

THIS INDENTURE, dated as of _____ __, 1998, between CB COMMERCIAL REAL ESTATE SERVICES GROUP, INC., a Delaware corporation (the "Corporation"), and _____, a _____ organized and existing under the laws of _____ (the "Trustee").

WITNESSETH:

WHEREAS, the Corporation has duly authorized the issuance, sale, execution and delivery, from time to time, of its unsecured evidences of indebtedness (hereinafter referred to as the "Securities"), without limit as to principal amount, issuable in one or more Series, the amount and terms of each such Series to be determined as hereinafter provided; and, to provide the terms and conditions upon which the Securities are to be issued, authenticated and delivered, the Corporation has duly authorized the execution of this Indenture; and

WHEREAS, all acts and things necessary to make the Securities, when executed by the Corporation and authenticated and delivered by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the Corporation, and to constitute this Indenture a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Securities have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Securities are to be issued, authenticated and delivered, and in consideration of the premises and of the purchase and acceptance of the Securities by the Holders thereof, the Corporation covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Securities or of any Series thereof, as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.01. CERTAIN TERMS DEFINED. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article One have the meanings assigned

to them in this Article One, and include the plural as well as the singular;

(b) all other terms used herein which are defined in the Trust Indenture Act of 1939, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein shall have the meanings assigned to them and all computations herein provided for shall be made, in accordance with generally accepted accounting principles, and

the term "generally accepted accounting principles" shall mean such principles as they exist at the date of applicability thereof; and

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

BOARD OF DIRECTORS

The term "Board of Directors" shall mean the Board of Directors of the Corporation, or any duly authorized committee of such Board of Directors.

BUSINESS DAY

The term "Business Day" shall mean any day which is not a Saturday or Sunday or which in the City of Los Angeles or in The City of New York is neither a legal holiday nor a day on which banking institutions are authorized by law or regulation to close.

CERTIFIED RESOLUTION

The term "Certified Resolution" shall mean a resolution of the Board of Directors of the Corporation certified by the Secretary or by an Assistant Secretary of the Corporation to have been duly adopted by the Board of Directors of the Corporation and to be in full force and effect on the date of such certification.

COMMISSION

The term "Commission" shall mean the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties theretofore assigned to it under the Trust Indenture Act of 1939, then the body performing such duties at such time.

CORPORATION

The term "Corporation" shall mean CB Commercial Real Estate Services Group, Inc., a Delaware corporation, until a successor entity shall have become such pursuant to the applicable provisions hereof, and thereafter "Corporation" shall mean such successor entity.

DEPOSITORY

The term "Depository" shall mean, with respect to the Securities of any Series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository by the Corporation pursuant to Section 2.01 of this Indenture until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter the term "Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such Series shall mean the Depository with respect to the Securities of that Series.

EVENT OF DEFAULT

The term "Event of Default" with respect to Securities of any Series shall mean any event specified as such in Section 6.01 and any other event as may be established with respect to the securities of such Series as permitted by Section 2.01. An Event of Default shall "exist" if an Event of Default shall have occurred and be continuing.

GLOBAL SECURITY

The term "Global Security" shall mean a Security evidencing all or a portion of a Series of Securities, issued under the Indenture and delivered to the Depository for such Series in accordance with Section 2.09 of this Indenture, and bearing the legend prescribed in such Section 2.09.

INDENTURE

The term "Indenture" shall mean this instrument as originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein, and shall include the form and terms of particular Series of Securities established in accordance with the provisions of Sections 2.01 and 2.02.

INTEREST PAYMENT DATE

The term "Interest Payment Date" when used with respect to any Security means the Stated Maturity of an installment of interest on such Security.

OFFICER'S CERTIFICATE

The term "Officer's Certificate" shall mean a certificate signed by the Chairman of the Board, any Vice-Chairman of the Board or any Vice-President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation. Each such certificate shall include the statements provided for in Section 13.03, if and to the extent required by the provisions of such Section.

OPINION OF COUNSEL

The term "Opinion of Counsel" shall mean a written opinion of counsel who may be counsel to the Corporation. Each such opinion shall include the statements provided for in Section 13.03, if and to the extent required by the provisions of such Section.

ORIGINAL ISSUE DISCOUNT SECURITY

The term "Original Issue Discount Security" shall mean (a) any Security which provides for an amount less than the principal amount thereof to be due and payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 or (b) any other Security which for United States Federal income tax purposes would be considered an original issue discount security.

OUTSTANDING

The term "Outstanding" when used with reference to Securities shall, subject to the provisions of Section 8.04, mean, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, for whose payment or redemption moneys in the necessary amount have been theretofore deposited with the Trustee or with any Paying Agent in trust for the Holders of such Securities, provided that if such Securities are to be redeemed, notice of such redemption has been duly given as provided in Article Three hereof, or provision therefor satisfactory to the Trustee has been made;

(c) Securities in exchange for or in lieu of which other Securities shall have been authenticated and delivered under this Indenture; and

(d) Securities alleged to have been destroyed, lost or stolen which have been paid as provided in Section 2.07 hereof.

In determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination as if a declaration of acceleration of the maturity thereof pursuant to Section 6.01 had been made.

PAYING AGENT

The term "Paying Agent" means any Person authorized by the Corporation to pay the principal of and any interest and premium on any Securities on behalf of the Corporation.

PERIODIC OFFERING

The term "Periodic Offering" means an offering of Securities of a Series, from time to time the specific terms of which (including without limitation, the rate or rates of interest, if any, thereon or any methods of calculating such, the maturity date or dates thereof and any redemption provisions with respect thereto) are to be determined by the Corporation or its agents upon the issuance of such Series of Securities.

PERSON

The term "Person" shall mean an individual, a corporation, a partnership, a joint venture, an association, a joint stock company, a trust, an unincorporated organization, or a government or any agency, authority or political subdivision thereof.

PRINCIPAL OFFICE OF THE TRUSTEE

The term "Principal Office of the Trustee" shall mean the principal office of the Trustee in _____ at which at any particular time its corporate trust business shall be administered, except that with respect to presentation of Securities for payment such term shall mean the office or agency of the Trustee at which at any particular time its corporate agency business shall be conducted. The present address of the principal office at which the corporate trust business of the Trustee is administered is _____.

RECORD DATE

The term "Record Date" for the interest payable on any Interest Payment Date on any Series of Securities shall mean the date specified as such in the Securities of such Series.

REDEMPTION DATE

The term "Redemption Date" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to this Indenture.

REDEMPTION PRICE

The term "Redemption Price" when used with respect to any Security to be redeemed means the price at which it is to be redeemed pursuant to this Indenture. It includes any applicable premium but does not include installments of interest whose Stated Maturity is on or before the Redemption Date.

REGISTER

The term "Register" shall mean the books for the registration and transfer of Securities which books are kept by the Trustee pursuant to Section 2.05.

RESPONSIBLE OFFICER

The term "Responsible Officer" when used with respect to the Trustee shall mean the chairman and vice-chairman of the board of directors, the chairman and vice-chairman of the executive committee of said board, the president, any vice-president or second vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any corporate trust officer, the controller, any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of such Person's knowledge of and familiarity with the particular subject.

SECURITY OR SECURITIES

The terms "Security" or "Securities" shall mean any security or securities of the Corporation without regard to Series, authenticated and delivered under this Indenture.

SECURITYHOLDER; HOLDER

The terms "Securityholder" or "Holder", whenever employed herein with respect to a Security, shall mean the Person in whose name such Security shall be registered on the Register.

SERIES

The term "Series" shall mean an issue of Securities under this Indenture.

STATED MATURITY

The term "Stated Maturity" when used with respect to any Security or any installment of interest thereon means the date specified in such Security as the fixed date on which the principal of such Security or such installment of interest is due and payable.

SUPPLEMENTAL INDENTURE

The term "Supplemental Indenture" shall mean an indenture supplemental hereto as such Supplemental Indenture may be originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein and therein.

TRUSTEE

The term "Trustee" shall mean _____ until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

TRUST INDENTURE ACT OF 1939

The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939, as amended as of the date of this Indenture.

UNITED STATES DOLLARS

The term "United States Dollars" shall mean the lawful currency of the United States of America.

ARTICLE TWO

ISSUE, DESCRIPTION, EXECUTION, REGISTRATION, TRANSFER AND EXCHANGE OF SECURITIES

SECTION 2.01. AMOUNT, SERIES, EXECUTION, AUTHENTICATION AND DELIVERY OF SECURITIES. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is not limited. The Securities may be issued in one or more Series.

(A) The following terms and provisions of each Series of Securities shall be established by a resolution of the Board of Directors and set forth in either a Certified Resolution or a Supplemental Indenture:

(1) the designation of the Series of Securities (which shall distinguish the Securities of such Series from all other Series of Securities),

(2) any limit upon the aggregate principal amount of the particular Series of Securities which may be executed, authenticated and delivered under this Indenture; provided, however, that nothing contained in this Section 2.01 or elsewhere in this Indenture or in the Securities or in such Certified Resolution or in a Supplemental Indenture is intended to or shall limit execution by the Corporation or authentication and delivery by the Trustee of Securities under the circumstances contemplated by Sections 2.05, 2.06, 2.07, 3.04 and 10.04,

(3) the currency or currencies or composite currency in which principal of and interest and any premium on such Series of Securities shall be payable (if other than in United States Dollars),

(4) the Stated Maturity for payment of principal of such Series of Securities and any sinking fund or analogous provisions,

(5) the rate or rates at which such Series of Securities shall bear interest or the method of calculating such rate or rates of interest and the Interest Payment Dates for such Series of Securities,

(6) the place or places where such Series of Securities may be presented for payment and for the other purposes provided in Section 4.06,

(7) any Redemption Price or Prices, the Redemption Date or Dates and other applicable redemption or repurchase provisions for such Series of Securities,

(8) whether such Series of Securities shall be issuable as one or more Global Securities and the form of such Series of Securities,

(9) if the Securities of such Series shall be issued in whole or in part as one or more Global Securities, the Depository for such Global Security or Securities and any additional terms and conditions relating to such Global Securities not set forth in this Indenture,

(10) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which such Series of Securities shall be issuable,

(11) the date from which interest on such Securities shall accrue,

(12) the basis upon which interest on such Series of Securities shall be computed (if other than on the basis of a 360-day year of twelve 30-day months),

(13) if other than the principal amount thereof, the portion of the principal amount of such Series of Securities which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 6.01,

(14) the Person or Persons who shall be registrar for such Series of Securities, and the place or places where the Register of such Series of Securities shall be kept,

(15) any additional events of default with respect to the Securities of a particular Series not set forth herein,

(16) any additional covenants of the Corporation with respect to the Securities of a particular Series not set forth herein,

(17) the terms and conditions, if any, upon which any Securities of such Series may or shall be converted into other instruments or other forms of property and

(18) any other terms of such Series of Securities (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one Series shall be substantially identical except that any Series may have serial maturities and different interest rates for different maturities and except as to denomination and the differences herein specified between Global Securities and Securities issued in definitive form and except as may otherwise be provided in or pursuant to the Certified Resolution or Supplemental Indenture relating to such Series of Securities. All Securities of any one Series need not be issued at the same time, and, unless otherwise provided in the Certified Resolution or Supplemental Indenture relating to such Series, a Series may be reopened for issuances of additional Securities of such Series.

(B) At any time and from time to time after the execution and delivery of this Indenture, the Corporation may deliver any Series of Securities executed by the Corporation to the Trustee for authentication by it, and the Trustee shall thereupon authenticate and deliver said Securities (or if only a single Global Security, such Global Security) to or upon the written order of the Corporation, signed by an officer of the Corporation, without any further corporate action. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities and except as hereinafter provided with respect to a Series of Securities subject to a Periodic Offering, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon:

(1) each Certified Resolution relating to such Series of Securities,

(2) an executed Supplemental Indenture, if any, relating to such Series of Securities,

(3) an Opinion of Counsel to the effect that:

(a) the terms and form of such Securities have been established as permitted by Sections 2.01 and 2.02 in conformity with the provisions of this Indenture,

(b) such Securities, when executed and issued by the Corporation and authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Corporation, except as any rights thereunder may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship,

arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; the effect of applicable court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's

enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied under California law; and the effect of California statutes and rules of law which cannot be waived prospectively by a borrower, and

(c) the Corporation has complied with all applicable Federal laws and requirements in respect of the execution and delivery of such Securities.

With respect to a Series of Securities subject to a Periodic Offering, the Trustee shall be entitled to receive, and, subject to Section 7.01, shall be fully protected in relying upon the documents described in the foregoing subsections (1), (2) and (3) of this Section 2.01; provided that (i) the Certified Resolution may be delivered to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery, (ii) the Trustee shall authenticate and deliver Securities of such Series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such Series, pursuant to such Certified Resolution or pursuant to such procedures as may be specified from time to time by a Certified Resolution, (iii) the maturity date or dates, original issue date or dates, interest rate or rates or the method or methods of calculating such and any other terms of the Securities of such Series shall be determined by the Certified Resolution or pursuant to such procedures, (iv) if provided for in such procedures, such Certified Resolution may authorize authentication and delivery pursuant to oral or electronic instructions from the Corporation or its duly authorized agent or agents, which oral instructions shall be promptly confirmed in writing and (v) the Trustee shall be entitled to receive an Opinion of Counsel only once at or prior to the time of the first authentication of Securities of such Series and that the opinions described in the foregoing subsections (3)(a) and (3)(b) of this Section 2.01 may be to the effect that:

(x) the form of the Securities of such Series has been duly authorized by the Corporation and has been established in conformity with the provisions of this Indenture and that, when the terms of such Securities shall have been established pursuant to a Certified Resolution or pursuant to such procedures as maybe specified from time to time by a Certified Resolution, such terms will have been duly authorized by the Corporation and will have been established in conformity with the provisions of this Indenture and

(y) Securities of such Series, when executed and issued by the Corporation and completed, authenticated and delivered by the Trustee in accordance with the provisions of this Indenture and subject to any conditions specified in such Opinion of Counsel and when paid for, all as contemplated by and in accordance with the Certified Resolution or specified procedures, as the case may be, will constitute valid and binding obligations of the Corporation, except as any rights thereunder may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally; the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law; the effect of applicable court decisions invoking statutes or principles of equity, which have held that certain covenants and provisions of agreements are unenforceable where the breach of such covenants or provisions imposes restrictions or burdens upon a borrower, and it cannot be demonstrated that the enforcement of such restrictions or burdens is necessary for the protection of the creditor, or which have held that the creditor's enforcement of such covenants or provisions under the circumstances would have violated the creditor's covenants of good faith and fair dealing implied

under California law; and the effect of California statutes and rules of law which cannot be waived prospectively by a borrower.

With respect to Securities of a Series offered in a Periodic Offering, the Trustee may rely, as to the authorization by the Corporation of any such Securities, the form and terms thereof and the valid and binding effect thereof, upon the Opinion of Counsel and other documents delivered pursuant to this Section 2.01 in connection with the first authentication of Securities of such Series unless and until such Opinion of Counsel or other documents shall have been superseded or revoked. In connection with the authentication and delivery of Securities of a Series subject to a Periodic Offering, the Trustee shall be entitled to assume that the instructions of the Corporation to authenticate and deliver such Securities do not violate any rules, regulations or orders of any governmental agency having jurisdiction over the Corporation.

Each fully registered Security shall be dated the date of its authentication.

SECTION 2.02. FORM OF SECURITIES AND TRUSTEE'S CERTIFICATE OF AUTHENTICATION. The Securities of each Series shall be substantially of the tenor and purport as shall be authorized by the related Certified Resolution or Supplemental Indenture, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements thereon as the Board of Directors may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Securities of such Series may be listed, or to conform to usage.

The definitive Securities and each Global Security may be printed, lithographed or fully or partly engraved or produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution thereof.

The Trustee's certificate of authentication shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities, of the Series designated herein, referred to in the within-mentioned Indenture.

_____, as Trustee

By _____
Authorized Officer

SECTION 2.03. DENOMINATIONS; PAYMENT OF INTEREST ON FULLY REGISTERED SECURITIES. The Securities of each Series may be issued as fully registered Securities in denominations all as shall be specified as contemplated by Section 2.10. In the absence of such provisions with respect to the Securities of any Series, the Securities of such Series (other than any Global Securities) shall be issued in denominations of $1,000 and any integral multiple thereof.

If the Securities of any Series shall bear interest, each Security of such Series shall bear interest from the applicable date at the rate per annum specified in the Certified Resolution or Supplemental Indenture with respect to such Series of Securities. Unless otherwise specified in the Certified Resolution or Supplemental Indenture with respect to the Securities of any Series, interest on the Securities of such Series shall be computed on the basis of a 360-day year of twelve 30-day months. Such interest shall be payable on the Interest Payment Dates specified in the Certified Resolution or Supplemental Indenture with respect to such Series of Securities. The Person in whose name any Security is registered at the close of business on the applicable Record Date for the Series of which such Security is a part shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding the cancellation of such Security upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date unless such Security shall have been called for redemption on a Redemption Date which is subsequent to such Record Date and prior to such Interest

Payment Date or unless the Corporation shall default in the payment of interest due on such Interest Payment Date on any Security of such Series.

Any interest on any Security of any Series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Corporation, at its election in each case, as provided in subsection A or B below:

A. The Corporation may elect to make payment of any Defaulted Interest on the Securities of any Series to the Persons in whose names such Securities are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Corporation shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this subsection provided. Thereupon the Trustee shall fix a special record date (the "Special Record Date") for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10

days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Security of such Series at such Holder's address as it appears in the Security Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such Series are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection B.

B. The Corporation may make payment of any Defaulted Interest on the Securities of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed and upon such notice as may be required by such exchange, if, after notice given by the Corporation to the Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.03, each Security delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security and each such Security shall bear interest from such date, such that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 2.04. EXECUTION OF SECURITIES. The Securities shall be executed manually or in facsimile, by an officer and the Secretary or an Assistant Secretary of the Corporation under its corporate seal, which may be affixed thereto or printed, engraved or otherwise reproduced thereon, by facsimile or otherwise. Only such Securities as shall bear thereon a certificate of authentication substan tially in the form recited herein, executed by the Trustee manually by an authorized officer, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate of authentication of the Trustee upon any Security executed by the Corporation shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture. Typographical or other errors or defects in the seal or facsimile signature on any Security or in the text thereof shall not affect the validity or enforceability of such Security if it has been duly authenticated and delivered by the Trustee.

In case any officer of the Corporation who shall have signed any of the Securities (manually or in facsimile) shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Corporation,

such Securities nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Securities had not ceased to be such officer of the Corporation. Also, any Security may be signed on behalf of the Corporation by such Persons as on the actual date of execution of such Security shall be the proper officers of the Corporation, although at the date of the execution of this Indenture or on the nominal date of such Security any such Person was not such officer.

SECTION 2.05. REGISTRATION, TRANSFER AND EXCHANGE OF SECURITIES. Except as specifically otherwise provided herein with respect to Global Securities, Securities of any Series may be exchanged for a like aggregate principal amount of Securities of the same Series of other authorized denominations. Securities to be exchanged shall be surrendered at the offices or agencies to be maintained in accordance with the provisions of Section 4.06 and the Corporation shall execute the Security or Securities, and the Trustee shall authenticate and deliver in exchange therefor the Security or Securities which the Securityholder making the exchange shall be entitled to receive.

The Corporation shall keep or cause to be kept, at one or more of the offices or agencies to be maintained by the Corporation in accordance with the provisions of Section 4.06 with respect to the Securities of each Series, the Register in which, subject to such reasonable regulations as it may prescribe, the Corporation shall provide for the registration of the Securities of such Series and the transfer of Securities of such Series as in this Article provided. The Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the Register shall be open for inspection by the Trustee and any registrar of the Securities of such Series other than the Trustee. Upon due presentment for transfer of any Security of any Series at the offices or agencies of the Corporation to be maintained in accordance with Section 4.06 with respect to the Securities of such Series, the Corporation shall execute a new Security and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same Series for a like aggregate principal amount of authorized denominations.

Notwithstanding any other provisions of this Section 2.05, unless and until it is exchanged in whole or in part for Securities in definitive form, a Global Security representing all or a portion of the Securities of a Series may not be transferred except as a whole by the Depository for such Series to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository for such Series or a nominee of such successor Depository.

All Securities of any Series presented or surrendered for exchange, transfer, redemption, conversion or payment shall, if so required by the Corporation or any registrar of the Securities of such Series, be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation and such registrar, duly executed by the registered Holder or by such Person's attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Securities, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Corporation shall not be required to exchange or transfer (a) any Securities of any Series during a period beginning at the opening of business 15 days before the day of the first publication or the mailing (if there is no publication) of a notice of redemption of Securities of such Series and ending at the close of business on the day of such publication or mailing, (b) any Securities called or selected for redemption in whole or in part, except, in the case of Securities called for redemption in part, the portion thereof not so called for redemption in whole or in part or during a period beginning at the opening of business on any Record Date for such Series and ending at the close of business on the relevant Interest Payment Date therefor.

SECTION 2.06. TEMPORARY SECURITIES. Pending the preparation of definitive Securities of any Series, the Corporation may execute and the Trustee shall authenticate and deliver temporary Securities of such Series which are printed, lithographed, typewritten or otherwise produced, in any denomination substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form and with such appropriate omissions, insertions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities. Every such temporary Security shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Securities. If temporary Securities are issued, the Corporation will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive

Securities, the temporary Securities of such Series shall be exchangeable for definitive Securities upon surrender of the temporary Securities without charge to the Holder at the offices or agencies to be maintained by the Corporation as provided in Section 4.06 with respect to the Securities of such Series. Upon surrender for cancellation of any one or more temporary Securities the Corporation shall execute and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of such Series. Until so exchanged, the temporary Securities of any Series shall in all respects be entitled to the benefits of this Indenture and interest thereon, when and as payable, shall be paid to the registered owners thereof.

SECTION 2.07. MUTILATED, DESTROYED, LOST OR STOLEN SECURITIES. If (i) any mutilated Security is surrendered to the Trustee, or the Corporation and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and (ii) there is delivered to the Corporation and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Corporation or the Trustee that such Security has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Security, a new Security of the same Series and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Corporation in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section 2.07, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Security issued pursuant to this Section 2.07 in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be

entitled to all the security and benefits of this Indenture equally and ratably with all other Outstanding Securities of such Series.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 2.08. CANCELLATION AND DESTRUCTION OF SURRENDERED SECURITIES. All Securities surrendered for payment, redemption, transfer, conversion or exchange shall, if surrendered to the Corporation, the Trustee or any agent of the Corporation or of the Trustee, be delivered to the Trustee, and the same, together with Securities surrendered to the Trustee for cancellation, shall be canceled by it and thereafter disposed of by it as directed by the Corporation, and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy canceled Securities and deliver a certificate of destruction thereof to the Corporation unless by an Officer's Certificate of the Corporation, the Corporation shall direct that canceled Securities be returned to it. If the Corporation shall purchase or otherwise acquire any of the Securities, however, such purchase or acquisition shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Securities unless and until the Corporation, at its option shall deliver or surrender the same to the Trustee for cancellation.

SECTION 2.09. SECURITIES IN GLOBAL FORM; DEPOSITORIES. (a) Each Global Security shall: (i) represent and be denominated in an aggregate amount equal to the aggregate principal amount of the Securities of the Series to be represented by such Global Security, (ii) be registered in the name of either the Depository for such Global Security or the nominee of such Depository, (iii) be delivered by the Trustee to such Depository or pursuant to such Depository's written instruction and (iv) bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Securities in definitive form, this Global Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor Depository or a nominee of any successor Depository." The notation of the record owner's interest in such Global Security upon the original issuance thereof shall be deemed to be delivery in connection with the original issuance of each beneficial owner's interest in such Global Security. Without limiting the foregoing, the Corporation and the Trustee shall have no responsibility, obligation or liability with respect to: (x) the maintenance, review or accuracy of the records of the Depository or of any of its participating organizations with respect to any ownership interest in or payments with respect to such Global

Security, (y) any communication with or delivery of any notice (including notices of redemption) with respect to the Series of Securities represented by the Global Security to any Person having any ownership interest in such Global Security or to any of the Depository's participating organizations or (z) any payment made on account of any beneficial ownership interest in such Global Security.

(b) If any Security of a Series is issuable in the form of a Global Security or Securities, each such Global Security may provide that it shall represent the aggregate amount of Outstanding Securities of such Series from time to time endorsed thereon and may also provide that the aggregate amount of Outstanding Securities of such Series represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Global Security to reflect the amount of Outstanding Securities of a Series represented thereby shall be made by the Trustee and in such manner as shall be specified on such Global Security. Any instructions by the Corporation with respect to a Global Security, after its initial issuance, shall be in writing but need not comply with Section 13.03 of this Indenture.

(c) Each Depository designated pursuant to the provisions of Section 2.01 of this Indenture for a Global Security must, at the time of its designation and at all times while it serves as a depositary, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation. If at any time the Depository for the Securities of a Series notifies the Corporation that it is unwilling or unable to continue as Depository for the Securities of such Series or if at any time the Depository for the Securities of such Series shall no longer be eligible under this Section 2.09, the Corporation shall appoint a successor Depository with respect to the Securities of such Series. If a successor Depository for the Securities of such Series is not appointed by the Corporation within 90 days after the Corporation receives such notice or learns of such ineligibility, the Corporation shall execute and the Corporation shall direct the Trustee to authenticate and deliver definitive Securities of such Series in authorized denominations in exchange for the Global Security or Securities. Upon receipt of such direction, the Trustee shall thereupon authenticate and deliver the definitive Securities of such Series in the same aggregate principal amount as the Global Security or Securities representing such Series in exchange for such Global Security or Securities, in accordance with the provisions of subsection (e) of this Section 2.09, without any further corporate action by the Corporation.

(d) The Corporation may at any time and in its sole discretion determine that the Securities of any Series issued in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event, the Corporation will execute and upon receipt of a written order from the Corporation, the Trustee shall thereupon authenticate and deliver Securities of such Series in definitive form and in authorized denominations in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such Series in exchange for such Global Security or Securities, in accordance with the provisions of subsection (e) of this Section 2.09 without any further corporate action by the Corporation.

(e) Upon any exchange hereunder of the Global Security or Securities for Securities in definitive form, such Global Security or Securities shall be canceled by the Trustee. Securities issued hereunder in exchange for the Global Security or Securities shall be registered in such names and in such authorized denominations as the Depository for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such definitive Securities in exchange for the Global Security or Securities to the persons in whose name such definitive Securities have been registered in accordance with the directions of the Depository.

ARTICLE THREE

REDEMPTION OF SECURITIES

SECTION 3.01. REDEMPTION OF SECURITIES. Securities of any Series may be made subject to redemption prior to their Stated Maturity, as a whole or in part, at such time or times, upon payment of the principal amount thereof plus such premium or premiums, if any, as shall be set forth in the resolution of the Board of Directors or the Supplemental Indenture relating to such Series.

SECTION 3.02. NOTICE OF REDEMPTION. In all cases other than redemption at the option of the Holders of Securities, notice of redemption shall be mailed, not less than 30 nor more than 60 days prior to the Redemption Date, to each Person in whose name any Security called for redemption is registered on the Register as of the date of such notice, but neither a failure to give notice by mail nor

any defect in any notice so mailed shall affect the validity of the proceedings for such redemption. Each notice of redemption shall state the Redemption Date, the Redemption Price, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Securities to be redeemed and shall also state that the interest on the Securities in such notice designated for redemption shall cease to accrue from and after such Redemption Date.

Notice of redemption of Securities may be given by the Corporation or, at the option of the Corporation, by the Trustee on behalf of the Corporation. Upon receipt of any direction to give notice, the Trustee shall immediately give such notice. The Trustee may rely upon such direction that all conditions precedent to the giving of such direction have been complied with or done.

SECTION 3.03. SELECTION OF SECURITIES FOR REDEMPTION. Whenever provision is made for the redemption of any Series of Securities or portion thereof and less than all of the Securities of such Series or portion thereof are called for redemption, the Trustee shall select the Securities to be redeemed, from the Outstanding Securities of such Series or portion thereof not previously called for redemption, in any manner which the Trustee deems fair and appropriate. For the purpose of any such selection, the Trustee shall assign a separate number for each $1,000 principal amount of each Security of a denomination of more than $1,000 except that if the Securities of any Series are denominated in a currency other than U.S. dollars, the Trustee shall assign a separate number for each principal amount equal to the minimum denomination of each Security of such Series of a denomination greater than such minimum denomination.

SECTION 3.04. PARTIAL REDEMPTION OF REGISTERED SECURITY. Upon surrender of any registered Security (including any Global Security) to be redeemed in part only, the Corporation shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, without service charge, a new Security or Securities (or in the case of a Global Security, a new Global Security) of the same Series and maturity and of authorized denomination or denominations as requested by such registered owners, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

SECTION 3.05. EFFECT OF REDEMPTION. If notice of redemption shall have been duly given as provided in Section 3.02, the Securities or portions of Securities specified in such notice shall become due and payable on the Redemption Date and at the place or places stated in such notice at the Redemption Price specified in such notice, and on and after such Redemption Date (unless the Corporation shall default in the payment of such Securities at the applicable Redemption

Price) such Securities or portions of Securities shall cease to bear interest, and such Securities shall cease from and after the Redemption Date to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such Securities except the right to receive the Redemption Price thereof and any unpaid interest accrued to the Redemption Date. Upon presentation and surrender of such Securities at said place of payment in said notice specified, the said Securities or portions thereof shall be paid and redeemed by the Corporation at the applicable Redemption Price, together with any interest accrued to the Redemption Date; provided, however, that any regular payment of interest becoming due on any Securities on the Redemption Date shall be payable to the registered owners of such Securities as of the Relevant Record Date as provided in Article Two hereof. Upon presentation of any Security which is redeemed in part only, the Corporation shall execute a new Security and the Trustee shall authenticate and deliver at the expense of the Corporation a new Security of the same Series of authorized denomination in principal amount equal to the unredeemed portion of the Security so presented.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal thereof shall, to the extent permitted by law, bear interest from the date fixed for redemption at the rate borne by the Security, or, in the case of a Security which does not bear interest, at the rate of interest set forth therefor in the Security in either case, until paid.

ARTICLE FOUR

PARTICULAR COVENANTS OF THE CORPORATION

SECTION 4.01. PAYMENT OF PRINCIPAL OF AND INTEREST ON SECURITIES. The Corporation covenants that it will duly and punctually pay or cause to be paid the principal of and any interest and premium on each of the Securities in accordance with the terms of the Securities and this Indenture. Except with respect to any Global Securities, if the Securities of any Series bear interest, each installment of interest on the Securities of such Series may, at the option of the Corporation, be paid by mailing a check or checks for such interest

payable to the Person entitled thereto pursuant to Section 2.03 to the address of such Person as it appears on the Register of the Securities of such Series on the applicable Record Date for such interest payment.

SECTION 4.02. CORPORATE EXISTENCE OF THE CORPORATION; CONSOLIDATION, MERGER, SALE OR TRANSFER. The Corporation covenants that so long as any of the Securities are Outstanding, it will maintain its existence, will not dissolve, sell or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided that the Corporation may, without violating the covenants in this Section 4.02 contained, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee entity, as the case may be, (i) shall be organized and existing under the laws of one of the States of the United States of America, (ii) assumes, if such entity is not the Corporation, all of the obligations of the Corporation hereunder and (iii) is not, after such transaction, otherwise in default under any provisions hereof.

SECTION 4.03. MAINTENANCE OF OFFICES OR AGENCIES FOR TRANSFER, REGISTRATION, EXCHANGE AND PAYMENT OF SECURITIES. So long as any of the Securities shall remain Outstanding, the Corporation covenants that it will maintain an office or agency in either The City of New York, State of New York, or the City and County of Los Angeles, State of California, where the Securities may be presented for registration, exchange and transfer as in this Indenture provided, and where notices and demands to or upon the Corporation in respect of the Securities or of this Indenture may be served, and where the Securities may be presented for payment. In case the Corporation shall designate and maintain some office or agency other than a previously designated office or agency, it shall give the Trustee notice thereof. In case the Corporation shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof to the Trustee, presentations and demands may be made and notices may be served at the principal office of the Trustee.

In addition to such office or agency, the Corporation may from time to time constitute and appoint one or more other offices or agencies for such purposes with respect to Securities of any Series, and one or more paying agents for the payment of Securities of any Series, in such cities or in one or more other cities, and may from time to time rescind such appointments, as the Corporation may deem desirable or expedient, and as to which the Corporation has notified the Trustee.

SECTION 4.04. APPOINTMENT TO FILL A VACANCY IN THE OFFICE OF TRUSTEE. The Corporation, whenever necessary to avoid or fill a vacancy in the office of

Trustee, covenants that it will appoint, in the manner provided in Section 7.10, a Trustee, so that there shall at all times be a Trustee with respect to the Outstanding Securities.

SECTION 4.08. DUTIES OF PAYING AGENT. (a) If the Corporation shall appoint a Paying Agent other than the Trustee with respect to Securities of any Series, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04 and Section 11.05,

(1) that it will hold all sums held by it as such agent for the payment of the principal of or interest, if any, on the Securities of such Series (whether such sums have been paid to it by the Corporation or by any other obligor on the Securities of such Series) in trust for the benefit of the Holders of the Securities entitled to such principal or interest and will notify the Trustee of the receipt of sums to be so held,

(2) that it will give the Trustee notice of any failure by the Corporation (or by any other obligor on the Securities of such Series) to make any payment of the principal of or interest on the Securities of such Series when the same shall be due and payable, and

(3) that it will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(b) Whenever the Corporation shall have one or more Paying Agents with respect to the Securities of any Series, it will, prior to each due date of the principal of or any interest on the Securities of such Series, deposit with a Paying Agent of such Series a sum

sufficient to pay the principal or interest so becoming due, such sum to be held in trust for the benefit of the Holders of Securities entitled to such principal or interest, and (unless such Paying Agent is the Trustee) the Corporation will promptly notify the Trustee of its action or failure so to act.

(c) If the Corporation shall act as its own Paying Agent with respect to the Securities of any Series, it will, on or before each Stated Maturity of the principal of or any interest on the Securities of such Series, set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such Series, a sum sufficient to pay such principal and any interest so becoming due and will notify the Trustee of such action, or any failure by it or any other obligor on the Securities of such Series to take such action and will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(d) Anything in this Section 4.04 to the contrary notwithstanding, the Corporation may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture with respect to one or more or all Series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for such Series by it, or any Paying Agent hereunder, as required by this Section 4.04, and such sums are to be held by the Trustee upon the trust herein contained.

SECTION 4.05. NOTICE OF DEFAULT. The Corporation covenants that, as soon as is practicable, the Corporation will furnish the Trustee notice of any event which is an Event of Default or which with the giving of notice or the passage of time or both would constitute an Event of Default which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Corporation proposes to take with respect thereto.

ARTICLE FIVE

SECURITYHOLDERS' LISTS AND REPORTS BY THE CORPORATION AND THE TRUSTEE

SECTION 5.01. CORPORATION TO FURNISH TRUSTEE INFORMATION AS TO THE NAMES AND ADDRESSES OF SECURITYHOLDERS. The Corporation will furnish or cause to be furnished to the Trustee, not less than 45 days nor more than 60 days after each date (month and day) specified as an Interest Payment Date for the Securities of the first Series issued under this Indenture (whether or not any Securities of that Series are then Outstanding), but in no event less frequently than semiannually, and at such other times as the Trustee may request in writing, within 30 days after receipt by the Corporation of any such request, a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Corporation, or any of its Paying Agents other than the Trustee, as to the names and addresses of the Holders of Securities, obtained since the date as of which the next previous list, if any, was furnished, excluding from any such list the names and addresses received by the Trustee in its capacity as registrar (if so acting). Any such list may be dated as of a date not more than 15 days prior to the time such information is

furnished and need not include information received after such date.

SECTION 5.02. PRESERVATION OF INFORMATION; COMMUNICATION TO SECURITYHOLDERS. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders of Securities of each Series (1) contained in the most recent list furnished to it as provided in Section 5.01, (2) received by the Trustee in the capacity of Paying Agent or registrar (if so acting) and (3) filed with the Trustee within the two preceding years as provided for in Section 5.04(c). The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(b) If three or more Holders of Securities (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Securities of any Series or with Holders of all Securities with respect to their rights under this Indenture or under such Securities, and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(1) afford such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02 or

(2) inform such applicants as to the approximate number of Holders of Securities of such Series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communications, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each of the Holders of Securities of such Series, or all Securities, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 5.02, a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such Series or all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Securityholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every Holder of the Securities, by receiving and holding the same, agrees with the Corporation and the Trustee that neither the Corporation nor the Trustee nor any Paying Agent nor any registrar shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with the provisions of subsection (b) of this Section 5.02, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under said subsection (b).

SECTION 5.03. REPORTS BY CORPORATION. (a) The Corporation covenants and agrees to file with the Trustee within 15 days after the Corporation is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Corporation may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Corporation is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered

on a national securities exchange as may be prescribed from time to time in such rules and regulations.

(b) The Corporation covenants and agrees to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Corporation with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations.

(c) The Corporation covenants and agrees to transmit to the Holders of Securities within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04, such summaries of any information, documents and reports required to be filed by the Corporation pursuant to subsections (a) and (b) of this Section 5.03 as may be required by rules and regulations prescribed from time to time by the Commission.

(d) The Corporation and any other obligor on the Securities each covenant and agree to furnish to the Trustee, not less than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the Corporation's compliance with all conditions and covenants of this Indenture (which compliance shall be determined without regard to any period of grace or requirement of notice as provided in this Indenture). Such certificates need not comply with Section 13.03 of this Indenture.

SECTION 5.04. REPORTS BY TRUSTEE. (a) On or before the first September 15th following the date of execution of this Indenture, and on or before September 15 in every year thereafter, if and so long as any Securities are Outstanding hereunder, the Trustee shall transmit to the Securityholders as hereinafter in this Section 5.04 provided, a brief report dated as of the preceding August 15 with respect to any of the following events which may have occurred within the previous 12 months (but if no such event has occurred within such period no report need be transmitted):

(1) any change to its eligibility under Section 7.09, and its qualifications under Section 7.08;

(2) the creation of or any material change to a relationship specified in paragraph (1) through (10) of Section 7.08(d);

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any Series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to state such advances if such advances so remaining unpaid aggregate not more than one-half of one percent of the principal amount of the Securities of such Series Outstanding on the date of such report;

(4) the amount, interest rate and maturity date of all other indebtedness owing by the Corporation (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except indebtedness based upon a creditor relationship arising in any manner described in paragraph (2), (3), (4) or (6) of subsection (b) of Section 7.13;

(5) any change to the property and funds, if any, physically in the possession of the Trustee (as such) on the date of such report;

(6) any additional issue of Securities which the Trustee has not previously reported; and

(7) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 6.10.

(b) The Trustee shall transmit to the Securityholders, as hereinafter provided, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section 5.04 (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge prior to that of the Securities of any Series on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this subsection, except that the Trustee shall not be

required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate ten percent or less of the principal amount of Securities of such Series Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section 5.04 shall be transmitted by mail (i) to all Holders of Securities of any Series, as the names and addresses of such Holders shall appear upon the Register of the Securities of such Series, (ii) to such Holders of Securities as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for that purpose and (iii)

except in the case of reports pursuant to subsection (b) of this Section 5.04 to each Holder whose name and address are preserved at the time by the Trustee as provided in Section 5.02(a) hereof.

(d) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with each stock exchange upon which the Securities of any Series are listed and also with the Commission. The Corporation will notify the Trustee when and as the Securities of any Series become listed on any stock exchange.

ARTICLE SIX

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

SECTION 6.01. EVENTS OF DEFAULT; ACCELERATION, WAIVER OF DEFAULT AND RESTORATION OF POSITION AND RIGHTS. The term "Event of Default" whenever used herein with respect to any particular Series of Securities shall mean any one of the following events:

(a) default in the payment of any installment of interest on any Security of such Series as and when the same shall become due and payable, and continuance of such default for a period of 30 days, or

(b) default in the payment of all or any part of the principal of or any premium on any Security of such Series as and when the same shall become due and payable whether at maturity, by proceedings for redemption, by declaration or otherwise, or

(c) default in the satisfaction of any sinking fund payment obligation relating to such Series of Securities, when and as such obligation shall become due and payable, or

(d) failure on the part of the Corporation to observe or perform in any material respect any other of the covenants or agreements on its part in the Securities or in this Indenture (including any Supplemental Indenture or pursuant to any Certified Resolution, as contemplated by Section 2.01) specifically contained for the benefit of the Holders of the Securities of such Series, for a period of 90 days after there has been given, by registered or certified mail, to the Corporation by the Trustee, or to the Corporation and the Trustee by the Holders of not less than 25% in principal amount of the Securities of such Series and all other Series so benefitted (all Series voting as one class) at the time Outstanding under this Indenture a written notice specifying such failure and stating that such is a "Notice of Default" hereunder, or

(e) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Corporation in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Corporation or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, if such decree or order shall remain unstayed and in effect for a period of 60 consecutive days, or

(f) the commencement by the Corporation of a voluntary case under any applicable bankruptcy, insol vency or other similar law now or hereafter in effect, or the Corporation's consent to the entry of an order for relief in any involuntary case under any such law, or its consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Corporation or for any substantial part of its property, or the making by the Corporation of any general assignment for the benefit of creditors, or its failure generally to pay its debts as they become due or the taking by the Corporation of any corporate action in furtherance of any of the foregoing.

If an Event of Default shall have occurred and be continuing with respect to any one or more Series of Outstanding Securities, then and in each and every

such case, unless the principal amount of all the Securities of each Series as to which there is an Event of Default shall have already become due and payable, either the Trustee or the Holders of not less than 25% in principal amount of the Securities of such Series then Outstanding hereunder (each such Series voting as a separate class) by notice in writing to the Corporation (and to the Trustee if given by Securityholders) may declare the principal amount (or, if the Securities of any such Series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such Series) of all the Securities of such Series, together with any accrued interest, to be due and payable immediately, and upon any such declaration the same shall be immediately due and payable, anything in this Indenture or in the Securities of such Series contained to the contrary notwithstanding. The foregoing provisions, however, are subject to the condition that if, at any time after the principal amount of the Securities of any one or more Series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Corporation shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of such Series (or upon all the Securities, as the case may be) and the principal of any and all Securities of such Series (or of any and all the Securities, as the case may be) which shall have become due otherwise than by declaration (with interest on overdue installments of interest to the extent permitted by law and on such principal at the rate or rates of interest borne by, or prescribed therefor in the Securities of such Series to the date of such payment or deposit) and the amounts payable to the Trustee under Section 7.06 and any and all defaults under the Indenture with respect to Securities of such Series (or all Securities, as the case may be), other than the non-payment of principal of and any accrued interest on Securities of such Series (or any Securities, as the case may be) which shall have become due by declaration shall have been cured, remedied or waived as provided in Section 6.09 -- then and in every such case the Holders of a majority in principal amount of the Securities of such Series (or of all the Securities, as the case may be) then Outstanding (such Series or all Series voting as one class if more than one Series are so entitled) by written notice to the Corporation and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the Trustee and the Holders of the Securities of such Series (or of all the Securities, as the case may be) shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Corporation and the Trustee and the Holders of the Securities of such Series (or of all the Securities, as the case may be) shall continue as though no such proceedings had been taken.

SECTION 6.02. COVENANT OF CORPORATION TO PAY TO TRUSTEE WHOLE AMOUNT DUE ON SECURITIES ON DEFAULT IN PAYMENT OF INTEREST OR PRINCIPAL. The Corporation covenants that:

(1) in case default shall be made in the payment of any installment of interest on any of the Securities of any Series as and when the same shall become due and payable, and such default shall have continued for a period of 30 days or

(2) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any Series when the same shall have become due and payable, whether at the Stated Maturity of such Series or by any call for redemption or by declaration of acceleration or otherwise or

(3) in case default shall be made in the satisfaction of any sinking fund obligation when and as such obligation becomes due and payable,

upon demand of the Trustee, the Corporation will pay to the Trustee, for the benefit of the Holders of the Securities of such Series, the whole amount that then shall have become due and payable on all such Securities of such Series for principal (and any premium) and interest and for any overdue sinking fund payment together with interest upon the overdue principal and installments of interest (to the extent permitted by law) at the rate or rates of interest borne by, or prescribed therefor in, the Securities of such Series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expense of collection, including a reasonable compensation to

the Trustee, its agents and counsel, and any expenses or liabilities incurred, and all advances made, by the Trustee hereunder other than through its negligence or bad faith.

In case the Corporation shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as Trustee of an express trust, shall

be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Corporation or any other obligor upon such Securities, and collect in the manner provided by law out of the property of the Corporation or any other obligor upon such Securities wherever situated the moneys adjudged or decreed to be payable.

If an Event of Default with respect to Securities of any Series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such Series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 6.03. TRUSTEE MAY FILE PROOFS OF CLAIM. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Corporation or any other obligor upon the Securities or the property of the Corporation or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities of any Series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Corporation for the payment of overdue principal or interest) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities (or, if the Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such Securities) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.04. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES. All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee to the fullest extent permitted by law without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 6.05. APPLICATION OF MONEYS COLLECTED BY TRUSTEE. Any moneys collected by the Trustee pursuant to Section 6.02 shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of

the several Securities in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due to the Trustee under Section 7.06;

SECOND: In case the principal of the Outstanding Securities in respect of which moneys have been collected shall not have become due and be unpaid, to the payment of any interest on such Securities, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the

extent that such interest has been collected by the Trustee at the rate or rates of interest borne by such Securities or prescribed therefor therein) such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Outstanding Securities in respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon such Securities for principal and interest, if any, with interest on the overdue principal and any installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate or rates of interest borne by, or prescribed therefor in, such Securities; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon such Securities, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Security over any other Security, ratably to the aggregate of such principal and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, with appropriate interest to the Corporation or its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 6.06. LIMITATION ON SUITS BY HOLDERS OF SECURITIES. No Holder of any Security of any Series shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of a continuing Event of Default, as hereinbefore provided, and unless also the Holders of not less than 25% in principal amount of the Securities of such Series then Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby (including the reasonable fees of counsel for the Trustee), and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to this Section 6.06; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the Holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities. For the protection and enforcement of the provisions of this Section 6.06, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, the right of any Holder of any Security to receive payment of the principal of and interest on such Security on or after the respective due dates expressed in such Security (or, in the case of redemption, on or after the date fixed for redemption), or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Holder.

SECTION 6.07. RIGHTS AND REMEDIES CUMULATIVE. All powers and remedies given by this Article Six to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies

available to the Trustee or the Holders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Securities to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.06, every power and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders. The assertion or employment of any right or remedy hereunder or otherwise shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.08. DELAY OR OMISSION NOT WAIVER. No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or

constitute a waiver of any such Event of Default or an acquiescence therein. Subject to the provisions of Section 6.06, every right and remedy given by this Article Six or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 6.09. CONTROL BY HOLDERS; WAIVER OF PAST DEFAULTS. The Holders of a majority in principal amount of the Securities of all Series (voting as one class) at the time Outstanding (determined as provided in Section 8.04) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that, subject to Section 7.01 the Trustee shall have the right to decline to follow any such direction if the Trustee in reliance upon an Opinion of Counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Holders not parties to such direction, and provided further that nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the Holders.

The Corporation may set a special record date for purposes of determining the identity of the Holders of Securities entitled to vote or consent to any action by vote or consent authorized or permitted by this Section 6.09. Such record date shall be the later of 15 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 5.01 of this Indenture prior to such solicitation.

The Holders of not less than a majority in principal amount of the Securities of any Series at the time Outstanding (determined as provided in Section 8.04) may on behalf of the Holders of all the Securities of such Series waive any past Event of Default with respect to such Series and its consequences (subject to Section 6.02), except a continuing Event of Default specified in Section 6.01(a), (b) or (c), or in respect of a covenant or provision of this Indenture which under Article Ten cannot be modified or amended without the consent of the Holder of each Security so affected. Upon any such waiver, the Corporation, the Trustee and the Holders of the Securities of such Series shall be restored to their former positions and rights hereunder, respectively, and such Event of Default shall be deemed to have been cured and not continuing for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

SECTION 6.10. TRUSTEE TO GIVE NOTICE OF DEFAULTS KNOWN TO IT, BUT MAY WITHHOLD IN CERTAIN CIRCUMSTANCES. The Trustee shall, within 90 days after the occurrence of any default hereunder with respect to the Securities of any Series, give to the Holders of the Securities of such Series in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04, notice of such default known to the Trustee unless such default shall have been cured, remedied or waived before the giving of such notice (the term "default" for the purposes of this Section 6.10 being hereby defined to be the events specified in Section 6.01 and any additional events specified in the terms of any Series of Securities pursuant to Section 2.01 not including any periods of grace provided for therein, and irrespective of the giving of written notice specified in clause (d) of Section 6.01 and in any such terms); provided, that except in the case of default in the payment of the principal of or interest on any of the Securities of such Series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of the Securities of such Series.

SECTION 6.11. REQUIREMENT OF AN UNDERTAKING TO PAY COSTS IN CERTAIN SUITS UNDER THE INDENTURE OR AGAINST THE TRUSTEE. All parties to this Indenture agree, and each Holder of any Security by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 6.11 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder of Securities of any Series, or group of such Holders, holding in the aggregate more than ten percent in principal amount of the Securities of such Series Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or any interest or premium on any Security, on or after the due date expressed in such Security for such interest (or in the case of any redemption, on or after the Redemption Date).

ARTICLE SEVEN

CONCERNING THE TRUSTEE

SECTION 7.01. CERTAIN DUTIES AND RESPONSIBILITIES OF TRUSTEE. The Trustee, prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured, remedied or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his or her own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, provided, however, that:

(a) prior to the occurrence of an Event of Default and after the curing, remedying or waving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of Securities pursuant to Section 6.09 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 7.02. CERTAIN RIGHTS OF TRUSTEE. Except as otherwise provided in Section 7.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties,

(b) Any request, direction, order or demand of the Corporation mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof shall be herein specifically prescribed); and any resolution of the Board of may be evidenced to the Trustee by a Certified Resolution,

(c) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such written advice or Opinion of Counsel,

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to the provisions of this

Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby,

(e) The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture,

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document, unless requested in writing so to do by the Holders of Securities pursuant to Section 6.09; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to such proceeding; and provided further, that nothing in this subsection (f) shall require the Trustee to give the Securityholders any notice other than that required by Section 6.10. The reasonable expense of every such examination shall be paid by the Corporation or, if paid by the Trustee, shall be reimbursed by the Corporation upon demand,

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder and

(h) The Trustee shall be under no responsibility for the approval by it in good faith of any expert for any of the purposes expressed in this Indenture.

SECTION 7.03. TRUSTEE NOT RESPONSIBLE FOR RECITALS OR APPLICATION OF PROCEEDS. The recitals contained herein and in the Securities (other than the certificate of authentication on the Securities) shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this

Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Corporation of any of the Securities or of the proceeds thereof.

SECTION 7.04. TRUSTEE MAY OWN SECURITIES. The Trustee, any Paying Agent, registrar or any agent of the Corporation or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not Trustee, Paying Agent, registrar or such other agent.

SECTION 7.05. MONEYS RECEIVED BY TRUSTEE TO BE HELD IN TRUST. Moneys held by the Trustee in trust need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Corporation.

SECTION 7.06. TRUSTEE ENTITLED TO COMPENSATION, REIMBURSEMENT AND INDEMNITY. The Corporation agrees to pay to the Trustee from time to time reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of any express trust), and the Corporation will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the acceptance or administration of its trust under this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Corporation also agrees to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Corporation under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements and advances and to indemnify and hold harmless the Trustee shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest or redemption premium on particular Securities.

SECTION 7.07. RIGHT OF TRUSTEE TO RELY ON OFFICER'S CERTIFICATE WHERE NO

OTHER EVIDENCE SPECIFICALLY PRESCRIBED. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate of the Corporation delivered to the Trustee, and such Officer's Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. DISQUALIFICATION; CONFLICTING INTEREST. (a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 7.08, it shall, within 90 days after ascertaining that it has such conflicting interest, and if the Event of Default to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, the Trustee shall either eliminate such conflicting interest or, except as otherwise provided in this Section 7.08, resign in the manner and with the effect specified in Section 7.10, such resignation to become effective upon the appointment of a successor trustee and such successor's acceptance of such appointment, and the Corporation shall take prompt steps to appoint a successor in accordance with Section 7.10.

(b) In the event that the Trustee shall fail to comply with the provisions of subsection (a) of this Section 7.08, the Trustee shall, within ten days after the expiration of such 90-day period, transmit notice of such failure to the Securityholders in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04.

(c) Subject to the provisions of Section 6.11 of this Indenture, unless the Trustee's duty to resign is stayed as provided in subsection (f) of this Section 7.08, any Holder who has been a bona fide Holder of Securities for at least six months may, on such Holder's behalf and on behalf of all other Holders similarly situated, petition any court of competent jurisdiction for the removal of such Trustee and the appointment of a successor, if such Trustee fails after written request thereof by such Holder to comply with the provisions of subsection (a) of this Section 7.08.

(d) For the purposes of this Section 7.08 the Trustee shall be deemed to have a conflicting interest with respect to the Securities of any Series if an Event of Default (exclusive of any period of grace or requirement of notice) has occurred with respect to Securities of such Series and:

(1) the Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Corporation or any other obligor on the Securities are outstanding or is trustee for more than one outstanding series of securities, as hereinafter defined, under a single indenture of the Corporation or any other obligor on the Securities, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities issued under this Indenture, provided that there shall be excluded from the operation of this paragraph, this Indenture with respect to the Securities of any other Series Outstanding, and any other indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Corporation or any other obligor on the Securities are outstanding, if (A) this Indenture is and such other indenture or indentures (and all series of securities issued thereunder) are wholly unsecured and rank equally, and such other indenture or indentures (and such series) are hereafter qualified under the Trust Indenture Act of 1939, unless the Commission shall have found and declared by order pursuant to subsection (b) of Section 305 or subsection (c) of Section 307 of the Trust Indenture Act of 1939, that differences exist between the provisions of this Indenture with respect to Securities of such Series and one or more other Series, or the provisions of this Indenture and the provisions of such other indenture or indentures (or such series), which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and such other indenture or indentures, or (B) the Corporation shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that the trusteeship under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and such other indenture, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such Series and such other Series, or under this Indenture and one of such indentures,

(2) the Trustee or any of its directors or executive officers is an

underwriter for the Corporation or any other obligor on the Securities,

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for the Corporation or any other obligor on the Securities,

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Corporation or any other obligor on the Securities, or of an underwriter (other than the Trustee itself) for the Corporation or any other obligor on the Securities who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of the Trustee and a director and/or an executive officer of the Corporation or any other obligor on the Securities, but may not be at the same time an executive officer of both the Trustee and the Corporation or any other obligor on the Securities; (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of the Corporation or any other obligor on the Securities; and (C) the Trustee may be designated by the Corporation or any other obligor on the Securities or by an underwriter for the Corporation or any other obligor on the Securities to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depositary, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection (d), to act as trustee whether under an indenture or otherwise,

(5) ten percent or more of the voting securities of the Trustee is beneficially owned either by the Corporation or any other obligor on the Securities or by any director, partner or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such Persons; or ten percent or more of the voting securities of the Trustee is beneficially owned either by an underwriter for the Corporation or any

other obligor on the Securities or by any director, partner or executive officer thereof or is beneficially owned, collectively, by any two or more such Persons,

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, (A) five percent or more of the voting securities, or ten percent or more of any other class of security, of the Corporation or any other obligor on the Securities, not including the Securities issued under this Indenture and securities issued under any other indenture under which the Trustee is also trustee, or (B) ten percent or more of any class of security of an underwriter for the Corporation or any other obligor on the Securities,

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, five percent or more of the voting securities of any Person who, to the knowledge of the Trustee, owns ten percent or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with the Corporation or any other obligor on the Securities,

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, as hereinafter defined, ten percent or more of any class of security of any Person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Corporation or any other obligor on the Securities or

(9) the Trustee owns on the date of the occurrence of such Event of Default (exclusive of any period of grace or requirement of notice) or any anniversary thereof while such Event of Default remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity an aggregate of 25% or more of the voting securities or of any class of security, of any Person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this subsection (d). As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after the date of the occurrence of any such Event of Default and annually in each succeeding year that the Securities or any Series thereof remain in default, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such date. If the Corporation or any other obligor on the Securities fails to make payment in full of principal of or interest on any of the Securities when and as the same become due and payable and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of

its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph (9), all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this subsection (d), or

(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of Section 7.13(b), the Trustee shall be or become a creditor of the Corporation or any other obligor on the Securities.

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subsection (d) shall not be construed as indicating that the ownership of such percentages of the securities of a Person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subsection (d).

For the purposes of paragraphs (6), (7), (8) and (9) of this subsection (d) only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a Person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and (C) the Trustee shall not

be deemed to be the owner or Holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as defined in clause (B) above, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent or depositary, or in any similar representative capacity.

(e) For the purposes of this Section 7.08:

(1) The term "underwriter" when used with reference to the Corporation or any other obligor on the Securities shall mean every Person who, within one year prior to the time as of which the determination is made, has purchased from the Corporation or any other obligor on the Securities with a view to, or has offered or sold for the Corporation or any other obligor on the Securities in connection with, the distribution of any security of the Corporation or any other obligor on the Securities outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a Person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" shall mean any director of a corporation or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

(3) The term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" shall mean any security presently entitling the owner or Holder thereof to vote in the direction or management of the affairs of a Person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or Holder of such security are presently entitled to vote in the direction or management of the affairs of a Person.

(5) The term "executive officer" shall mean the president, every vice-president, every trust officer, the cashier, the secretary and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

(6) Except for purposes of paragraphs (6), (7), (8) and (9) of subsection (d) of this Section 7.08, the term "security" or "securities" shall mean any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, or, in general, any interest or instrument commonly known as a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt

for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(7) For the purpose of subsection (d)(1) of this Section 7.08, the term "series of securities" or "series" means a series, class or group of securities issuable under an indenture pursuant to whose terms Holders of one such series may vote to direct the indenture trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such series; provided, that "series of securities" or "series" shall not include any series of securities issuable under an indenture if all such series rank equally and are wholly unsecured.

The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Corporation or any other Person referred to in this Section 7.08 (each of whom is referred to as a "Person" in this paragraph) means such amount of the outstanding voting securities of such Person as entitles the Holder or Holders thereof to cast such specified percentage of the aggregate votes which the Holders of all the outstanding voting securities of such Person are entitled to cast in the direction or management of the affairs of such Person.

(B) A specified percentage of a class of securities of a Person means such percentage of the aggregate amount of securities of the class outstanding.

(C) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) Securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(ii) Securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) Securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) Securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any Person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the Holder or Holders thereof substantially the same rights and privileges, provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes, and provided further that, in the case of unsecured evidences of indebtedness, differences in the interest rate or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

(f) Except in the case of a default in the payment of the principal of or interest on any Securities, or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by this Section 7.08 if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that (i) the default under this Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and (ii) a stay of the Trustee's duty to resign will not be inconsistent with the interests of Holders of such Series of Securities. The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise. Any resignation of the Trustee shall become effective only upon the appointment of a successor trustee and such successor's acceptance of such appointment.

SECTION 7.09. REQUIREMENTS FOR ELIGIBILITY OF TRUSTEE. There shall always

be at least one Trustee hereunder. The Trustee hereunder shall at all times be a corporation organized and doing business as a commercial bank under the laws of the United States of America or any state thereof or of the District of Columbia or a corporation or other Person permitted to act as a trustee by the Commission

and, in each case, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $100,000,000, and subject to supervision or examination by Federal, State or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. No obligor on the Securities or Person directly or indirectly controlling, controlled by or under common control with such obligor shall serve as Trustee. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.09, the Trustee shall resign immediately in the manner and with the effect specified in this Article Seven.

SECTION 7.10. RESIGNATION AND REMOVAL OF TRUSTEE; APPOINTMENT OF SUCCESSOR. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all Series of Securities by giving written notice of such resignation to the Corporation and by giving to the Holders of Securities notice thereof in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of Section 5.04. Upon receiving such notice of resignation and if the Corporation shall deem it appropriate, evidence satisfactory to it of such mailing to the Holders, the Corporation shall promptly appoint a successor trustee with respect to all Series of Securities or, if appropriate, the applicable Series by written instrument executed by an authorized officer of the Corporation, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide Holder of a Security or Securities for at least six months may, subject to the provisions of Section 6.11, on such Holder's behalf and on behalf of all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of subsection (a) of Section 7.08 after written request therefor by the Corporation or by any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable Series for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.09 and shall fail to resign after written request therefor by the Corporation or by any such Securityholder, or

(3) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, or

(4) the Corporation shall determine that the Trustee has failed to perform its obligations under this Indenture in any material respect,

then, in any such case, the Corporation may remove the Trustee and appoint a successor trustee by written instrument executed by an authorized officer of the Corporation, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.11, any Securityholder who has been a bona fide Holder of a Security or Securities of the affected Series for at least six months may, on such Person's behalf and on behalf of all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such Series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in principal amount of the Securities Outstanding (determined as provided in Section 8.04) may at any time remove the Trustee and appoint a successor trustee by written instrument or instruments signed by such Holders or their attorneys-in-fact duly authorized, or by the affidavits of the permanent chairman and secretary of a meeting of the Securityholders

evidencing the vote upon a resolution or resolutions submitted thereto with respect to such removal and appointment (as provided in Article Nine), and by delivery thereof to the Trustee so removed, to the successor trustee and to the Corporation.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section 7.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.11.

SECTION 7.11. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR TRUSTEE. Any successor trustee appointed as provided in Section 7.10 shall execute, acknowledge and deliver to the Corporation and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations with respect to such Series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Corporation or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers with respect to the trustee so ceasing to act. Upon written request of any such successor trustee, the Corporation shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

No successor trustee shall accept appointment as provided in this Section 7.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.11, the successor trustee shall at the expense of the Corporation transmit notice of the succession of such trustee hereunder to the Holders of Securities in the manner and to the extent provided in subsection (c) of Section 5.04 with respect to reports pursuant to subsection (a) of said Section 5.04.

SECTION 7.12. SUCCESSOR TO TRUSTEE BY MERGER, CONSOLIDATION OR SUCCESSION TO BUSINESS. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 7.13. PREFERENTIAL COLLECTION OF CLAIMS AGAINST CORPORATION. (a) Subject to the provisions of subsection (b) of this Section 7.13, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Corporation or any other obligor on the Securities within three months prior to a default, as defined in subsection (c) of this Section 7.13, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities for which it is acting as Trustee, and the holders of other indenture securities (as defined in subsection (c) of this Section 7.13):

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three months' period, and valid as against

the Corporation or such other obligor on the Securities and its other

creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Corporation or such other obligor on the Securities upon the date of such default; and

(2) all property received by the Trustee in respect of any claims as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three months' period, or an amount equal to the proceeds of any such property if disposed of, subject, however, to the rights, if any, of the Corporation or such other obligor on the Securities and their respective other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Corporation or such other obligor on the Securities) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third Person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Corporation or such other obligor on the Securities in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State laws;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received, the Trustee had no reasonable cause to believe that a default, as defined in subsection (c) of this Section 7.13, would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of the Trustee as such creditor, such claim shall have the same status as such preexisting claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders of Securities for which it is acting as Trustee, and the holders of other indenture securities in such manner that the Trustee, such Securityholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Corporation or such other obligor on the Securities in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Corporation or such other obligor on the Securities of the funds and property in such special account and before crediting to the respective claims of the Trustee, such Securityholders, and the holders of other indenture securities dividends on claims filed against the Corporation or such other obligor on the Securities in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As

used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11 of the United States Code or applicable State law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, such Securityholders, and

the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, such Securityholders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claim, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such three months' period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three months' period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued, as trustee, occurred after the beginning of such three months' period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

In every case commenced under the Bankruptcy Act of 1898, or any amendment thereto enacted prior to November 6, 1978, all references to periods of three months shall be deemed to be references to periods of four months.

(b) There shall be excluded from the operation of subsection (a) of this Section 7.13 a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in Section 5.04(c) with respect to reports pursuant to subsections (a) and (b) thereof, respectively;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented, or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in subsection (c) of this Section 7.13;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Corporation or any other obligor on the Securities; and

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in subsection (c) of this Section 7.13.

(c) As used in this Section 7.13 the following terms shall be accorded the following definitions:

(1) the term "default" shall mean any failure to make payment in full of the principal of or interest on any of the Securities or on the other indenture securities when and as such principal or interest becomes due and payable.

(2) the term "other indenture securities" shall mean securities upon which the Corporation or any other obligor on the Securities is an "obligor" (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of subsection (a) of this Section 7.13, and (C) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(3) the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(4) the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Corporation or any other obligor on the Securities for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Corporation or any other obligor on the Securities arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

ARTICLE EIGHT

CONCERNING THE SECURITYHOLDERS

SECTION 8.01. EVIDENCE OF ACTION BY SECURITYHOLDERS. Whenever in this Indenture it is provided that the Holders of a specified percentage in principal amount of the Securities of any or all Series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Securityholders in Person or by agent or proxy appointed in writing, or (b) by the record of such Holders of Securities voting in favor thereof at any meeting of such Securityholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Securityholders.

SECTION 8.02. PROOF OF EXECUTION OF INSTRUMENTS AND OF HOLDING OF SECURITIES. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Securityholder or such Holder's agent or proxy and proof of the holding by any Person of any of the Securities shall be sufficient if made in the following manner:

(a) The fact and date of the execution by any such Person of any instrument may be proved in any reasonable manner acceptable to the Trustee.

(b) The ownership of Securities of any Series (including Global Securities) shall be proved by the Register of such Securities of such Series, or by certificates of the Security registrar or registrars thereof.

(c) The amount of bearer Securities held by any Person, the numbers of such Securities and the date of such Person's holding the same may be proved by the production of such Securities or by a certificate in form

satisfactory to the Trustee, executed by any trust company, bank, banker or member of a national securities exchange, as depositary.

The Trustee shall not be bound to recognize any Person as a Securityholder unless and until such Person's title to the Securities held by it is proved in the manner in this Article Eight provided.

The record of any Securityholders' meeting shall be proved in the manner provided in Section 9.06.

The Trustee may accept such other proof or require such additional proof of any matter referred to in this Section 8.02 as it shall deem reasonable.

SECTION 8.03. WHO MAY BE DEEMED OWNERS OF SECURITIES. Prior to due presentment for transfer of any Security, the Corporation, the Trustee and any agent of the Corporation or the Trustee may deem and treat the Person in whose name such Security shall be registered upon the Register of Securities of the Series of which such Security is a part as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and interest, subject to Section 2.03, on such Security and for all other purposes; and neither the Corporation nor the Trustee nor any agent of the Corporation or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Holder for the time being, or upon such Holder's order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability of moneys payable upon any such Security. Ownership of bearer Securities shall be proved as provided in Section 8.02(c).

If the Securities of any Series are issued in the form of one or more Global Securities, the Depository therefor may grant proxies to Persons having a beneficial ownership in such Global Security or Securities for purposes of voting or otherwise responding to any request for consent, waiver or other action which the Holder of such Security is entitled to grant or take under this Indenture and the Trustee shall accept such proxies for the purposes granted; provided that neither the Trustee nor the Corporation shall have any obligation with respect to the grant of or solicitation by the Depository of such proxies.

SECTION 8.04. SECURITIES OWNED BY THE CORPORATION OR CONTROLLED OR CONTROLLING PERSONS DISREGARDED FOR CERTAIN PURPOSES. In determining whether the Holders of the requisite principal amount of Securities have concurred in any demand, direction, request, notice, vote, consent, waiver or other action under this Indenture, Securities which are owned by the Corporation or any other obligor on the Securities or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation or any other obligor on the Securities shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided that for the purposes of determining whether the Trustee shall be protected in relying on any such demand, direction, request, notice, vote, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee assigned to its principal office knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 8.04, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation or any such other obligor.

Upon request of the Trustee, the Corporation shall furnish to the Trustee promptly an Officer's Certificate listing and identifying all Securities, if any, known by the Corporation to be owned or held by or for the account of the Corporation or any other obligor on the Securities or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation or any other obligor on the Securities; and, subject to the provisions of Section 7.01, the Trustee shall be entitled to accept such Officer's Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

SECTION 8.05. INSTRUMENTS EXECUTED BY SECURITYHOLDERS BIND FUTURE HOLDERS. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage in principal amount of the Securities specified in this Indenture in connection with such action, any Holder of a Security which is shown by the evidence to be included in the Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its principal

office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security and any direction, demand, request, notice, waiver, consent, vote or other action of the Holder of any Security which by any provisions of this Indenture is required or permitted to be given shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security, and of any Security issued in lieu thereof, irrespective of whether any notation in regard thereto is made upon such Security. Any action taken by the Holders of the percentage in principal amount of the Securities of any or all Series specified in this Indenture in connection with such action shall be conclusively binding upon the Corporation, the Trustee and the Holders of all of the Securities of such Series subject, however, to the provisions of Section 7.01.

ARTICLE NINE

SECURITYHOLDERS' MEETINGS

SECTION 9.01. PURPOSES FOR WHICH MEETINGS MAY BE CALLED. A meeting of Holders of Securities of any or all Series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

(1) to give any notice to the Corporation or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Holders of Securities of any or all Series, as the case may be, pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures

supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified principal amount of the Securities of any or all Series, as the case may be, under any other provision of this Indenture or under applicable law.

SECTION 9.02. MANNER OF CALLING MEETINGS. The Trustee may at any time call a meeting of Securityholders to take any action specified in Section 9.01, to be held at such time and at such place in the City of _____ or Los Angeles, California, as the Trustee shall determine. Notice of every meeting of Securityholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed not less than 20 nor more than 60 days prior to the date fixed for the meeting.

SECTION 9.03. CALL OF MEETING BY THE CORPORATION OR SECURITYHOLDERS. In case at any time the Corporation pursuant to a resolution of its Board of Directors, or the Holders of not less than ten percent in principal amount of the Securities of any or all Series, as the case may be, then Outstanding, shall have requested the Trustee to call a meeting of Holders of Securities of any or all Series, as the case may be, to take any action authorized in Section 9.01 by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of such meeting within 20 days after receipt of such request, then the Corporation or such Holders of Securities in the amount above specified may determine the time and place in either the City of Los Angeles, California or The City of New York, New York for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing (and publishing, if required) notice thereof as provided in Section 9.02.

SECTION 9.04. WHO MAY ATTEND AND VOTE AT MEETINGS. To be entitled to vote at any meeting of Securityholders a Person shall (a) be a Holder of one or more Securities with respect to which the meeting is being held; or (b) be a Person appointed by an instrument in writing as proxy by such Holder of one or more Securities. The only Persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Corporation and its counsel.

SECTION 9.05. REGULATIONS MAY BE MADE BY TRUSTEE; CONDUCT OF THE MEETING; VOTING RIGHTS - ADJOURNMENT. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 8.02. and the appointment of any proxy shall be proved in the manner specified in said Section 8.02; provided, however, that such regulations may provide that written instruments appointing proxies regular on their face, may be presumed valid and genuine without the proof herein above or in said Section 8.02 specified.

The Trustee shall by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Corporation or by Securityholders as provided in Section 9.03, in which case the Corporation or the Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to the provisions of Section 8.04, at any meeting each Securityholder or proxy shall be entitled to one vote for each $1,000 principal amount (in the case of Original Issue Discount Securities, such principal amount shall be equal to such portion of the principal amount as may be specified in the terms of such Series) of Securities held or represented by such Holder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by such Person or instruments in writing as aforesaid duly designating such Person as the Person to vote on behalf of other Securityholders. Any meeting of Securityholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time, and the meeting may be held so adjourned without further notice.

At any meeting of Securityholders, the presence of Persons holding or representing Securities in principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the Persons holding or representing a majority in principal amount of the Securities represented at the meeting may adjourn such meeting with the same effect for all intents and purposes, as though a quorum had been present.

SECTION 9.06. MANNER OF VOTING AT MEETINGS AND RECORD TO BE KEPT. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities or of their representatives by proxy and the principal amount or principal amounts of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02. The record shall show the principal amount or principal amounts of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one copy thereof shall be delivered to the Corporation and the other to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 9.07. EXERCISE OF RIGHTS OF TRUSTEE AND SECURITYHOLDERS NOT TO BE HINDERED OR DELAYED. Nothing in this Article Nine contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Securityholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrances or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Securityholders under any of the provisions of this Indenture or of the Securities.

ARTICLE TEN

SUPPLEMENTAL INDENTURES

SECTION 10.01. PURPOSES FOR WHICH SUPPLEMENTAL INDENTURES MAY BE ENTERED INTO WITHOUT CONSENT OF SECURITYHOLDERS. Without the consent of the Holders of any Securities, the Corporation and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for one or more of the following purposes:

(a) if deemed appropriate by the Corporation or required by law, to evidence the succession of another corporation to the Corporation or successive successions and the assumption by the successor corporation of the covenants, agreements and obligations of the Corporation pursuant to Article Four hereof,

(b) to add to the covenants of the Corporation such further covenants, restrictions or conditions as its Board of Directors and the Trustee shall consider to be for the protection of the Holders of all or any Series of Securities (and if such covenants, restrictions or conditions are to be for the benefit of less than all Series of Securities, stating that such covenants, restrictions or conditions are expressly being included solely for the benefit of such Series), and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect to any such additional covenant, restriction or condition such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default,

(c) to add or change any of the provisions of this Indenture to such extent as shall be necessary to facilitate the issuance of Securities in (i) global form or (ii) bearer form, registerable or not registerable as to principal or principal and interest, and with or without coupons,

(d) to change or eliminate any of the provisions of this Indenture; provided, however, that any such change or elimination shall become effective only when there is no Security of any Series Outstanding created prior to the execution of such Supplemental Indenture which is entitled to the benefit of such provision,

(e) to establish the form or terms of Securities of any Series as permitted by Sections 2.01 and 2.02,

(f) to appoint, at the request of the Trustee, a successor Trustee for a particular Series of Securities to act as such pursuant to the

provisions of this Indenture and to add to or change the provisions of this Indenture to such extent as shall be necessary to facilitate the performance of the duties of such trustee and

(g) to cure any ambiguity or to correct or supplement any provisions contained herein or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained herein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under this Indenture or any Supplemental Indenture which shall not adversely affect the interests of the Holders of the Securities.

SECTION 10.02. MODIFICATION OF INDENTURE WITH CONSENT OF HOLDERS OF SECURITIES. With the consent (evidenced as provided in Section 8.01) of the Holders of not less than a majority in principal amount of the Securities of all Series at the time Outstanding (determined as provided in Section 8.04) affected by such Supplemental Indenture (voting as one class), the Corporation and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture or of modifying in any manner the rights of the Holders of the

Securities of each such Series; provided, however, that no such Supplemental Indenture shall, without the consent of the Holders of each Outstanding Security affect thereby:

(a) Change the fixed maturity or Redemption Date of any Security or reduce the rate of interest thereon or the method of determining such rate of interest or extend the time of payment of interest or reduce the principal amount (including the amount of principal of an Original Issue Discount Security that would be due upon declaration of acceleration of the maturity thereof pursuant to Section 6.01 hereof) thereof or reduce any premium payable upon the redemption thereof, or change the coin or currency in which any Security or the interest thereon is payable or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(b) Reduce the percentage in principal amount of the Outstanding Securities the consent of the Holders of which is required for any such Supplemental Indenture, or the consent of the Holders of which is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture or

(c) Change the time of payment or reduce the amount of any minimum sinking account or fund payment or

(d) Modify any of the provisions of this Section 10.02, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security affected thereby.

A Supplemental Indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular Series of Securities, or which modifies the rights of Holders of Securities of such Series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other Series.

It shall not be necessary for the consent of the Securityholders under this Section 10.02 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Corporation and the Trustee of any Supplemental Indenture pursuant to the provisions of this Section 10.02, the Corporation shall mail a notice to the Holders of Registered Securities of each Series so affected, setting forth in general terms the substance of such Supplemental Indenture. Any failure of the Corporation to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

SECTION 10.03. EFFECT OF SUPPLEMENTAL INDENTURES. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Corporation and the Holders of Securities shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be and be

deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee shall be entitled to receive, and subject to the provisions of Section 7.01 shall be entitled to rely upon, an Opinion of Counsel as conclusive evidence that any such Supplemental Indenture complies with the provisions of this Article Ten and that the Securities affected by the Supplemental Indenture, when such Securities are authenticated and delivered by the Trustee and executed and issued by the Corporation in the manner and subject to any conditions specified in such Opinion of Counsel, will be valid and binding obligations of the Corporation, except as any rights thereunder may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equity principles.

SECTION 10.04. SECURITIES MAY BEAR NOTATION OF CHANGES BY SUPPLEMENTAL INDENTURES. Securities authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article Ten, or after any action taken at a Securityholders' meeting pursuant to Article Nine, may bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture or as to any action taken at any such meeting. If the Corporation or the Trustee shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Corporation, to any modification of this Indenture contained in any such Supplemental Indenture may be prepared by the Corporation, authenticated by the Trustee and delivered in exchange for the Securities then Outstanding.

ARTICLE ELEVEN

DISCHARGE; DEFEASANCE

SECTION 11.01. DISCHARGE OF INDENTURE. If the Corporation shall pay and discharge or cause to be paid or discharged the entire indebtedness on all Outstanding Securities by paying or causing to be paid the principal of (including redemption premium, if any) and interest on the Outstanding Securities, as and when the same become due and payable or by delivering to the Trustee, for cancellation by it, all Outstanding Securities, and if the Corporation shall also pay or cause to be paid all other sums payable hereunder by it, thereupon, upon written request of the Corporation and upon receipt by the Trustee of such certificates, if any, as the Trustee shall reasonably require, to the effect that all conditions precedent to the satisfaction and discharge of the Corporation's obligations under this Indenture have been complied with, this Indenture shall be discharged and terminated and the Trustee shall forthwith execute proper instruments acknowledging satisfaction of and discharging and terminating this Indenture with respect to the Corporation's obligations hereunder and any such other interests.

The Corporation may at any time surrender to the Trustee for cancellation by it any Securities previously authenticated and delivered which the Corporation may have acquired in any manner whatsoever, and such Securities, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 11.02. DISCHARGE OF LIABILITY ON SECURITIES. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities of the kind and in the necessary amount (as provided in Section 11.04 of this Indenture) to pay or redeem Outstanding Securities (whether upon or prior to their maturity or the Redemption Date of such Securities, provided that, if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three hereof provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), the obligation of the Corporation duly and punctually to pay or cause to be paid the principal of and any interest and premium in respect of such Securities and all liability of the Corporation in respect of such payment shall cease, terminate and be completely discharged and the Holders thereof shall thereafter be entitled only to payment out of the money or securities deposited with the Trustee as aforesaid for their payment; provided, however, that this discharge of the Corporation's obligation so to pay and of the liability of the Corporation in respect of such payment shall not occur unless the Corporation shall have delivered to the Trustee an Opinion of Counsel to the effect that Holders of the Securities of such Series will not recognize income, gain or loss for Federal income tax purposes as a result of such discharge.

SECTION 11.03. DISCHARGE OF CERTAIN COVENANTS AND OTHER OBLIGATIONS. Upon the deposit with the Trustee, in trust, prior to maturity of money or securities of the kind and in the necessary amount (as provided in Section 11.04 of this Indenture) to pay or redeem Outstanding Securities of one or more Series (whether upon or prior to their maturity or the Redemption Date of such Securities, provided that, if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three hereof provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), all of the obligations, covenants and agreements of the Corporation with respect to such Securities under Sections 4.02, 4.03, 4.04 and 4.05 hereof shall cease, terminate and be completely

discharged.

SECTION 11.04. DISCHARGE OF CERTAIN OBLIGATIONS UPON DEPOSIT OF MONEY OR SECURITIES WITH TRUSTEE. The conditions for deposit of money or securities contained in Sections 11.02 and 11.03 shall have been satisfied whenever with respect to any Securities

denominated in United States Dollars, the Corporation shall have deposited or caused to be deposited irrevocably in trust with the Trustee dedicated solely to the benefit of the Holders of such Securities:

(a) Lawful money of the United States of America in an amount equal to the principal amount of such Securities and all unpaid interest thereon to maturity, except that, in the case of Securities which are to be redeemed prior to maturity, the amount so to be deposited or held shall be the principal amount of such Securities and interest thereon to the Redemption Date, together with the redemption premium, if any; or

(b) Direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America (which obligations are not subject to redemption prior to maturity at the option of the issuer), in such amounts and maturing at such times that the proceeds of said obligations to be received upon their respective maturities and interest payment dates will provide funds sufficient to pay the principal, premium, if any, and interest to maturity, or to the Redemption Date, as the case may be, with respect to all of the Securities to be paid or redeemed, as such principal, premium and interest become due, provided that the Trustee shall have been irrevocably instructed to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to said Securities.

The conditions for deposit of money or securities contained in Sections 11.02 and 11.03 shall have been satisfied whenever with respect to any Securities denominated in one or more currencies or composite currency other than United States Dollars, the Corporation shall have deposited or caused to be deposited irrevocably in trust with the Trustee dedicated solely to the benefit of the Holders of such Securities:

(i) Lawful money in such currency, currencies or composite currency in which such Securities are payable and in an amount equal to the principal amount of such Securities and all unpaid interest thereon to maturity, except than, in the case of Securities which are to be redeemed prior to maturity, the amount so to be deposited or held shall be the principal amount of such Securities and interest thereon to the Redemption Date, together with the redemption premium, if any; or

(ii) Either (1) direct obligations of the government that issued or caused to be issued the currency in which such Securities are payable, for which obligations the full faith and credit of the government is pledged (which obligations are not subject to redemption prior to maturity at the option of the issuer) or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of such government the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by such government (which obligations are not subject to redemption prior to maturity at the option of the issuer), in either case, in such amounts and maturing at such times that the proceeds of said obligations to be received upon their respective maturities and interest payment dates will provide funds sufficient to pay the principal, premium, if any, and interest to maturity, or to the Redemption Date, as the case may be, with respect to all of the Securities to be paid or redeemed, as such principal, premium and interest become due, provided that the Trustee shall have been irrevocably instructed to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to said Securities.

SECTION 11.05. UNCLAIMED MONEYS. Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of and any premium and interest on any Security and not so applied but remaining unclaimed under applicable law shall be transferred by the Trustee to the appropriate Persons in accordance with applicable laws, and the Holder of such Security shall thereafter look only to such Persons for any payment which such Holder may be entitled to collect and all liability of the Trustee and such Paying Agent with respect to such moneys shall thereupon cease.

ARTICLE TWELVE

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 12.01. INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS OF CORPORATION EXEMPT FROM INDIVIDUAL LIABILITY. No recourse under or upon any

obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such past, present or future, of the Corporation, either directly or through the Corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Corporation because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Securities.

ARTICLE THIRTEEN

MISCELLANEOUS PROVISIONS

SECTION 13.01. SUCCESSORS AND ASSIGNS OF THE CORPORATION BOUND BY INDENTURE. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Corporation shall bind its successors and assigns, whether so expressed or not.

SECTION 13.02. NOTICES; EFFECTIVENESS. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Corporation, or by the Corporation or by the Holders of Securities to the Trustee or upon the Depository by the Corporation or the Trustee may be electronically communicated or hand delivered or sent by overnight courier, addressed to the relevant party as provided in this Section 13.02.

All communications intended for the Corporation shall be sent to:

Attention: Chief Financial Officer

Fax Number: ( )

All communications intended for the Trustee shall be sent to:

Attention: Corporate Trust Department

Fax Number: ( )

or at any other address of which any of the foregoing shall have notified the others in any manner prescribed in this Section 13.02.

For all purposes of this Indenture, a notice or communication will be deemed effective:

(a) if delivered by hand or sent by overnight courier, on the day it is delivered unless (i) that day is not a Business Day in the city specified (a "Local Business Day") in the address for notice provided by the recipient or (ii) if delivered after the close of business on a Local Business Day, then on the next succeeding Local Business Day,

(b) if sent by telex, on the day the recipient's answerback is received unless that day is not a Local Business Day, in which case on the next succeeding Local Business Day,

(c) if sent by facsimile transmission, on the date transmitted, provided that oral or written confirmation of receipt is obtained by the sender unless the date of transmission and confirmation is not a Local Business Day, in which case, on the next succeeding Local Business Day.

Any notice, direction, requires, demand, consent or waiver by the Corporation, any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given, made or filed, for all purposes, if given, made or filed in writing at the Principal Office of the Trustee in accordance with the provisions of this Section 13.02.

Any notice, request, consent or waiver by the Corporation or the Trustee upon the Depository shall have been sufficiently given, made or filed, for all purposes, if give or made in accordance with the provisions of this Section 13.02 at the address shown for such Depository in the Register or at such other address as the Depository shall have provided for purposes of notice.

SECTION 13.03. COMPLIANCE CERTIFICATES AND OPINIONS. Upon on any request or application by the Corporation to the Trustee to take any action under any of the provisions of this Indenture, the Corporation shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such document is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to Section 5.03(d) shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Any certificate, statement or opinion of an officer of the Corporation may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which such certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or Opinion of Counsel may be based, insofar as it relates to factual matters, upon the certificate, statement or opinion of or representations by an officer or officers of the Corporation stating that the information with respect to such factual matters is in the possession of the Corporation, unless such counsel knows that the certifi-

cate, statement or opinion or representations with respect to the matters upon which such Person's certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Corporation or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his or her certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate or opinion of any firm of independent public accountants filed with the Trustee shall contain a statement that such firm is independent.

SECTION 13.04. DAYS ON WHICH PAYMENT TO BE MADE, NOTICE GIVEN OR OTHER ACTION TAKEN. If any date on which a payment is to be made, notice given or other action taken hereunder is a Saturday, Sunday or legal holiday in the state in which the payment, notice or other action is to be made, given or taken, then such payment, notice or other action shall be made, given or taken on the next succeeding Business Day in such state, and in the case of any payment, no interest shall accrue for the delay.

SECTION 13.05. PROVISIONS REQUIRED BY TRUST INDENTURE ACT OF 1939 TO CONTROL. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture which is required to be included in this Indenture by any of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939 such required provision shall control.

SECTION 13.06. GOVERNING LAW. THIS INDENTURE AND EACH SECURITY SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF SAID STATE.

SECTION 13.07. PROVISIONS OF THE INDENTURE AND SECURITIES FOR THE SOLE BENEFIT OF THE PARTIES AND THE SECURITYHOLDERS. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give any Person, firm or corporation, other than the parties hereto and the Holders of

the Securities, any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the parties hereto and of the Holders of the Securities.

SECTION 13.08. INDENTURE MAY BE EXECUTED IN COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

_____ hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions herein above set forth.

IN WITNESS WHEREOF, CB COMMERCIAL REAL ESTATE SERVICES GROUP, INC. has caused this Indenture to be signed by its Chairman of the Board or any Vice-Chairmen of the Board or one of its Vice-Presidents and _____ has caused this Indenture to be signed and acknowledged by one of its _____ and to be signed and acknowledged by one of its Assistant Secretaries, all as of the day and year first written above.

CB COMMERCIAL REAL ESTATE SERVICES GROUP, INC.

By_____

_____, as Trustee

By_____

By_____
Assistant Secretary

EXHIBIT 4.8

FIRST SUPPLEMENTAL INDENTURE

Between

CB RICHARD ELLIS SERVICES, INC.

and

STATE STREET BANK AND TRUST
COMPANY OF CALIFORNIA, NATIONAL ASSOCIATION,
as Trustee

Dated as of May 26, 1998

Supplemental to Indenture
Dated as of May 26, 1998

FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of May 26, 1998, between CB RICHARD ELLIS SERVICES, INC., a Delaware corporation (the "Corporation") and STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, a National Association (the "Trustee"),

WITNESSETH:

WHEREAS, the Corporation and the Trustee have entered into that certain Indenture dated as of May 26, 1998 (the "Original Indenture," and such Original Indenture provides that the Corporation and the Trustee may, at any time and from time to time, under circumstances set forth in Article Ten thereof, enter into one or more supplemental indentures without the consent of the Holders of the outstanding Securities (as such terms are defined in the Original Indenture) for the purpose of supplementing the provisions of the Original Indenture;

WHEREAS, the Corporation has duly authorized the execution and delivery of this First Supplemental Indenture, and all things necessary have been done to make this First Supplemental Indenture a valid agreement of the Corporation, in accordance with its terms;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to declare additional terms and conditions applicable to Securities which may hereafter be issued, authenticated and delivered, and in consideration of the premises and of the purchase and acceptance of the Securities by the Holders thereof, the Corporation covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Securities or of any Series thereof, as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.01. CERTAIN TERMS DEFINED. The terms defined in this Section 1.01 shall, for all purposes of the Original Indenture and this First Supplemental Indenture, have the meanings herein specified, unless the context clearly otherwise requires:

ACQUIRED INDEBTEDNESS

The term "Acquired Indebtedness" means Indebtedness of a Person (i) assumed in connection with an Asset Acquisition from such Person or (ii) existing at the time such Person becomes a Restricted Subsidiary of any other Person (other than any Indebtedness incurred in connection with, or in contemplation of, such Asset Acquisition or such Person becoming such a Restricted Subsidiary). Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Restricted Subsidiary, as the case may be.

AFFILIATE

The term "Affiliate" means with respect to any specified Person; (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Capital Stock

or any officer, director or employee of any such specified Person or other Person or, with respect to any natural Person, any person having a relationship with such Person by blood, marriage or adoption no more remote than first cousin; or (iii) any Person 10% or more of the Voting Stock of which is beneficially owned or held directly or indirectly by such specified Person. For the Purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

ASSET ACQUISITION

The term "Asset Acquisition" means (i) an Investment by the Corporation or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary or will be merged or consolidated with or into the Corporation or any Restricted Subsidiary or (ii) the acquisition by the Corporation or any Restricted Subsidiary of the assets of any Person which constitute substantially all of the assets of such Person, or any division or line of business of such Person, or which is otherwise outside of the ordinary course of business.

ASSET SALE

The term "Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of: (i) any Capital Stock of any Subsidiary; (ii) all or substantially all of the properties and assets of any division or line of business of the Corporation or its Subsidiaries; or (iii) any other properties or assets of the Corporation or any Subsidiary other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include any transfer of properties and assets (a) that is governed by the provisions relating to consolidation, merger, sale of assets, etc. contained in Section 2.12; provided, however, that any transaction consummated in compliance with the provisions of Section 2.12 involving a transfer of less than all of the properties or assets of the Corporation shall be deemed to be an Asset Sale with respect to the properties or assets of the Corporation that are not transferred in such transaction, (b) that is by the Corporation to any Restricted Subsidiary, or by any Subsidiary to the Corporation or any Restricted Subsidiary in accordance with the terms of this First Supplemental Indenture, (c) that is of obsolete equipment in the ordinary course of business or (d) the Fair Market Value of any such Asset Sale not otherwise described in clause (a) through (c) above which in the aggregate does not exceed $10.0 million.

ASSET SALE OFFER

The term "Asset Sale Offer" shall have the meaning ascribed to such term in Section 2.07 of this First Supplement Indenture.

AVERAGE LIFE TO STATED MATURITY

The term "Average Life to Stated Maturity" means, with respect to any Indebtedness, as at any date of determination, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from such date to the date or dates of each successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

BANK CREDIT FACILITY

The term "Bank Credit Facility" means any senior bank credit facility including the Revolving Credit Facility and any other facility provided by an institution in the business of providing commercial credit, which facilities collectively have an aggregate principal amount at any one time outstanding not to exceed $500.0 million, less any permanent reductions made pursuant to the provision described in the second paragraph of Section 2.07 of this First Supplemental Indenture.

CAPITAL STOCK

The term "Capital Stock" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however

designated) of such Person's capital stock, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock, whether or not outstanding or issued after the date of this First Supplemental Indenture.

CAPITALIZED LEASE OBLIGATION

The term "Capitalized Lease Obligation" means any obligation under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under GAAP, and, for the purpose of this First Supplemental Indenture, the amount of such obligation at any date shall be the capitalized amount thereof at such date, determined in accordance with GAAP.

CASH EQUIVALENTS

The term "Cash Equivalents" means, at any time, (i) any evidence of Indebtedness with a maturity of not more than one year issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof); (ii) certificates of deposit or acceptance with a maturity of not more than one year of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than $500,000,000; (iii) commercial paper with a maturity of not more than one year issued by a corporation that is not an Affiliate of the Corporation organized under the laws of any state of the United States or the District of Columbia and rated at least A-1 by Standard & Poor's Corporation or at least P-1 by Moody's Investors Service, Inc.; and (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (i) and (ii) above entered into with any financial institution meeting the qualifications specified in clause (ii) above.

CHANGE OF CONTROL

The term "Change of Control" means the occurrence of any of the following events (whether or not approved by the Board of Directors of the Corporation): (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 50% or more of the total voting power of the then outstanding Voting Stock of the Corporation; (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Corporation (together with any new directors whose election to such board or whose nomination for election by the stockholders of the Corporation was approved by a vote of 50% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved), cease for any reason to constitute a majority of such board of directors then in office; (iii) the Corporation consolidates with or merges with or into any Person or sells, assigns, conveys, transfers, leases or otherwise

disposes of all or substantially all of its assets to any Person, or any corporation consolidates with or merges into or with the Corporation, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Corporation is changed into or exchanged for cash, securities or other property, other than any such transaction where the outstanding Voting Stock of the Corporation is not changed or exchanged at all (except to the extent necessary solely to reflect a change in the jurisdiction of incorporation of the Corporation) or where (A) the outstanding Voting Stock of the Corporation is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Redeemable Capital Stock or (y) cash, securities and other property (other than Capital Stock of the surviving corporation) in an amount which could be paid by the Corporation as a Restricted Payment as provided in Section 2.03 (and such amount shall be treated as a Restricted Payment subject to the provisions in this First Supplemental Indenture contained in Section 2.03), (B) no "person" or "group" owns immediately after such transaction, directly or indirectly, 50% or more of the total outstanding Voting Stock of the surviving corporation and (C) the holders of the Voting Stock of the Corporation immediately prior to such transaction own, directly or indirectly, not less than a majority of the total voting power of the then outstanding Voting Stock of the surviving or transferee corporation immediately after such transaction; or (iv) any order, judgment or decree shall be entered against the Corporation decreeing the dissolution or split up of the Corporation and such order shall remain undischarged or unstayed for a period in excess of sixty days.

CHANGE OF CONTROL OFFER

The term "Change of Control Offer" shall have the meaning ascribed to such term in Section 3.03 of this First Supplemental Indenture.

CONSOLIDATED CASH FLOW AVAILABLE FOR FIXED CHARGES

The term "Consolidated Cash Flow Available for Fixed Charges" means, for any period, (i) the sum of, without duplication, the amounts for such period, taken as a single accounting period, of (a) Consolidated Net Income, (b) to the extent reducing Consolidated Net Income, Consolidated Non-cash Charges, (c) to the extent reducing Consolidated Net Income, Consolidated Interest Expense, and (d) to the extent reducing Consolidated Net Income, Consolidated Income Tax Expense less (ii) other non-cash items increasing Consolidated Net Income for such period.

CONSOLIDATED FIXED CHARGE COVERAGE RATIO

The term "Consolidated Fixed Charge Coverage Ratio" means the ratio of the aggregate amount of Consolidated Cash Flow Available for Fixed Charges of the Corporation for the four full fiscal quarters immediately preceding the date of the transaction (the "Transaction Date") giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio for which consolidated financial information of the Corporation is available (such four full fiscal quarter period being referred to herein as the "Four Quarter Period") to the aggregate amount of Consolidated Fixed Charges of the Corporation for such Four Quarter Period. For purposes of this definition, "Consolidated Cash Flow Available for Fixed Charges" and "Consolidated Fixed Charges" will be calculated, without duplication, after giving effect on a pro forma basis for the period of such calculation to (i) the incurrence of any Indebtedness of the Corporation or any of the Restricted Subsidiaries during the period commencing on the first day of the Four Quarter Period to and including the Transaction Date (the "Reference Period"), including, without limitation, the incurrence of the Indebtedness giving rise to the need to make such calculation, as if such incurrence occurred on the first day of the Reference Period, except that with respect to the calculation of Consolidated Interest Expense in the determination of Consolidated Fixed Charges, the Consolidated Interest Expense of such Person attributable to interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness based upon the number of days that such Facility was in existence during the Reference Period, (ii) an adjustment to eliminate or include, as applicable, the

Consolidated Cash Flow Available for Fixed Charges and Consolidated Fixed Charges of the Corporation directly attributable to assets which are the subject of any Asset Sale or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Corporation or one of the Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring Acquired Indebtedness) occurring during the Reference Period and (iii) the retirement of Indebtedness during the Reference Period which cannot thereafter be reborrowed occurring as if retired on the first day of the Reference Period. In calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio," (1) interest on Indebtedness determined on a fluctuating basis as of the Transaction Date and which will continue to be so determined thereafter will be deemed to accrue at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date; (2) if interest on any Indebtedness actually incurred on the Transaction Date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on the Transaction Date shall be deemed to have been in effect during the Reference Period; and (3) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Interest Rate Agreements, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements. If the Corporation or any Restricted Subsidiary directly or indirectly guarantees Indebtedness of a third Person, the above definition will give effect to the incurrence of such guaranteed Indebtedness as if the Corporation or any Restricted Subsidiary had directly incurred or otherwise assumed such guaranteed Indebtedness.

CONSOLIDATED FIXED CHARGES

The term "Consolidated Fixed Charges" means, for any period, the sum of, without duplication, the amounts for such period of (i) Consolidated Interest Expense; and (ii) the aggregate amount of cash dividends and other distributions paid or accrued during such period in respect of Redeemable Capital Stock and Preferred Stock of the Corporation.

CONSOLIDATED INCOME TAX EXPENSE

The term "Consolidated Income Tax Expense" means, for any period, the provision for federal, state, local and foreign income taxes payable by the Corporation and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

CONSOLIDATED INTEREST EXPENSE

The term "Consolidated Interest Expense" means, for any period, without duplication, the sum of (a) the interest expense of the Corporation and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including, without limitation, (i) any amortization of debt discount attributable to such period, (ii) the net cost under or otherwise associated with Interest Rate Agreements or Currency Agreements including any amortization of discounts, (ii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and (v) all capitalized interest and all accrued interest, and (b) all but the principal component of Capitalized Lease Obligations, paid, accrued and/or scheduled to be paid or accrued by the Corporation and the Restricted Subsidiaries during such period and as determined on a consolidated basis in accordance with GAAP.

CONSOLIDATED NET INCOME

The term "Consolidated Net Income" means, for any period, the consolidated net income (or loss) of the Corporation and the Restricted Subsidiaries for such period on a consolidated basis as determined in

accordance with GAAP, adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication, (i) all extraordinary gains or losses (net of all fees and expenses relating thereto), (ii) the portion of net income (or loss) of the Corporation and its Restricted Subsidiaries on a consolidated basis allocable to minority interests in unconsolidated Persons, except to the extent that cash dividends or distributions are actually received by the Corporation or a Restricted Subsidiary, (iii) income of the Corporation and the Restricted Subsidiaries derived from or in respect of Investments in Unrestricted Subsidiaries, except to the extent that cash dividends or distributions are actually received by the Corporation or a Restricted Subsidiary, (iv) net income (or loss) of any Person combined with the Corporation or any of the Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (v) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan, (vi) net gains (or losses), net of taxes, less all fees and expenses relating thereto, in respect of any Asset Sales by the Corporation or a Restricted Subsidiary, (vii) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, (viii) any restoration to income of any contingency reserve except to the extent provision for such reserve was made out of income, accrued at any time following the Issue Date, (ix) any gain, arising from the acquisition of any securities, or the extinguishment, under GAAP, of any Indebtedness of the Corporation and (x) the net non-cash compensation expense incurred in connection with the issuance or exercise of any employee stock options the issuance of which was approved by the Board of Directors.

CONSOLIDATED NON-CASH CHARGES

The term "Consolidated Non-cash Charges" means, for any period, the aggregate depreciation, amortization and other non-cash expenses of the Corporation and the Restricted Subsidiaries reducing Consolidated Net Income for such period (other than any non-cash item requiring an accrual or reserve for cash disbursements in any future period), determined on a consolidated basis in accordance with GAAP.

CONSOLIDATED TANGIBLE ASSETS

The term "Consolidated Tangible Assets" means, at any date, the total assets, less goodwill and other intangibles, of the Corporation and the Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP as of the most recent date for which a consolidated balance sheet of the Corporation is available.

CURRENCY AGREEMENT

The term "Currency Agreement" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Corporation or its Restricted Subsidiaries against fluctuations in currency values.

DEFAULT

The term "Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

DESIGNATED SENIOR INDEBTEDNESS

The term "Designated Senior Indebtedness" means (a) all Senior Indebtedness

outstanding from time to time under the Revolving Credit Facility and (b) any other Senior Indebtedness which, at the time of determination, is specifically designated in the instrument governing such Senior Indebtedness as

"Designated Senior Indebtedness" by the Corporation and which, at the time of determination, has an outstanding principal amount at least equal to $10.0 million.

DESIGNATION

The term "Designation" shall have the meaning ascribed to such term in Section 2.10 of this First Supplemental Indenture.

DESIGNATION AMOUNT

The term "Designation Amount" shall have the meaning ascribed to such term in Section 2.10 of this First Supplemental Indenture.

ELIGIBLE SECURITIES

The term "Eligible Securities" means Capital Stock of any Person (or an Affiliate of such Person) acquiring stock or assets from the Corporation or any of its Restricted Subsidiaries which Capital Stock is listed on the New York Stock Exchange, the American Stock Exchange or quoted on the National Association of Securities Dealers, Inc.'s Automated Quotation System (National Market) or any successor exchange or quotation system thereof.

EVENT OF DEFAULT

The term "Event of Default" shall have the meaning ascribed to such term in Article One of the Original Indenture and with respect to the Notes shall include the events set forth in Section 5.01 of this First Supplemental Indenture."

EXCHANGE ACT

The term "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder.

EXEMPTED AFFILIATE TRANSACTION

The term "Exempted Affiliate Transaction" means any transaction solely between the Corporation and any of its Wholly-Owned Restricted Subsidiaries or solely among Wholly-Owned Restricted Subsidiaries.

FAIR MARKET VALUE

The term "Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm's-length transaction, for cash, between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Corporation acting in good faith evidenced by a board resolution thereof delivered to the Trustee.

FIRST SUPPLEMENTAL INDENTURE

The term "First Supplemental Indenture" shall mean this First Supplemental Indenture dated as of May 26, 1998, between the Corporation and the Trustee, as such supplemental indenture is originally executed, or as it may from time to time be supplemented, modified or amended, as provided herein and in the Original Indenture.

FOUR QUARTER PERIOD

The term "Four Quarter Period" has the meaning set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

GAAP

The term "GAAP" means, at any date of determination, generally accepted accounting principles in effect in the United States which are applicable at the date of determination and which are consistently applied for applicable periods.

GUARANTEE

The term "guarantee" means, as applied to any obligation, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and (ii) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or

any part of such obligation, including, without limiting the foregoing, the payment of amounts drawn down by letters of credit. A guarantee shall include, without limitation, any agreement to maintain or preserve any other Person's financial condition or to cause any other Person to achieve certain levels of operating results.

INCUR

The term "incur" has the meaning set forth in Section 2.02 of this First Supplemental Indenture, and the terms "incurrence," "incurred," and "incurring" shall have the meanings correlative to the foregoing.

INDEBTEDNESS

The term "Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities incurred or arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers acceptance or other similar credit transaction and in connection with any agreement to purchase, redeem, exchange, convert or otherwise acquire for value any Capital Stock of such Person, or any warrants, rights or options to acquire such Capital Stock, now or hereafter outstanding, (ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business, (iv) all Capitalized Lease Obligations of such Person, (v) all Indebtedness referred to in clauses (i) through (iv) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, (vi) all guarantees of Indebtedness by such Person, (vii) except for purposes of the covenant contained in Section 2.03, all Redeemable Capital Stock issued by such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends and (viii) all obligations under Interest Rate Agreements or Currency Agreements or Commodity Price Protection Agreements of such Person (net of any payments owed to such Person thereunder to the extent such Person's obligations thereunder are subject to offset by the amount of payments owed to such

Person thereunder), and (ix) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (viii) above. For purposes hereof, the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this First Supplemental Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value shall be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock.

INDENTURE

The term "Indenture" shall mean the Original Indenture, as supplemented by the First Supplemental Indenture, each being between the Corporation and the Trustee, and as it may from time to time hereafter be further supplemented, modified or amended, as provided in the Indenture, and shall include the form and terms of particular Series of Securities established as contemplated by Section 2.01 and 2.02 of the Original Indenture.

INDEPENDENT FINANCIAL ADVISOR

The term "Independent Financial Advisor" means a nationally recognized accounting, appraisal or investment banking firm (i) which does not, and whose directors, officers and employees or Affiliates do not have, a direct or indirect financial interest in the Corporation and (ii) which, in the judgment of the Board of Directors, is otherwise independent and qualified to perform the task for which it is to be engaged.

INTEREST RATE AGREEMENTS

The term "Interest Rate Agreements" means one or more of the following agreements which shall be entered into by one or more financial institutions: obligations of any Person pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate

of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or a floating rate of interest on the same notional amount or any other arrangement involving payments by or to such Person based upon fluctuations in interest rates (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements from time to time.

INVESTMENT

The term "Investment" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including by means of a guarantee) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others or otherwise), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP. Investments shall exclude (i) extensions of trade credit on commercially reasonable terms in accordance with normal trade practices and (ii) any property or assets received solely in consideration for the issuance of Capital Stock of the Corporation. In addition to the foregoing, any Currency Agreement, Interest Rate Agreement or similar agreement shall constitute an Investment in the net amount required to be set forth on such Person's balance sheet in accordance with GAAP. Upon the sale of any portion of the Capital Stock of any Restricted Subsidiary by the Corporation or any other Restricted Subsidiary, the Corporation or such other Restricted Subsidiary shall be deemed to have made an Investment in the amount of its remaining Investment, if any, in such Person.

ISSUE DATE

The term "Issue Date" means the original issue date of the Notes under this First Supplemental Indenture.

LIEN

The term "Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or other), privilege, security interest, hypothecation, cessation and transfer, lease of real property, assignment for security, claim, deposit arrangement, or preference or priority or other encumbrance upon or with respect to any property of any kind (including any conditional sale, capital lease or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), whether real, personal or mixed, movable or immovable, now owned or hereafter acquired. A Person shall be deemed to own subject to a Lien any property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

L.J. MELODY

The term "L.J. Melody" means L.J. Melody & Company, a Texas corporation.

MATERIAL SUBSIDIARY

The term "Material Subsidiary" means each Restricted Subsidiary of the Corporation that is a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the Securities Act and the Exchange Act (as such regulation is in effect on the Issue Date).

MELODY LOAN ARBITRAGE FACILITY

The term "Melody Loan Arbitrage Facility" means a credit facility provided to L.J. Melody by any depository bank in which L.J. Melody deposits payments made on mortgage loans for which L.J. Melody is servicer prior to distribution of such payments to or for the benefit of the holders of such loans, so long as (i) L.J. Melody applies all proceeds of loans made under such credit facility to purchase Cash Equivalents and (ii) all Cash Equivalents purchased by L.J. Melody with the proceeds of loans thereunder (and proceeds thereof and distributions thereon) are pledged to the depository bank providing such credit facility, and such bank has a first priority perfected security interest therein, to secure loans made under such credit facility.

MELODY MORTGAGE WAREHOUSING FACILITY

The term "Melody Mortgage Warehousing Facility" means the credit facility provided by Residential Funding Corporation ("RFC") or any substantially similar facility, pursuant to which RFC or another lender makes loans to L.J. Melody, the proceeds of which loans are applied by L.J. Melody to fund commercial mortgage loans originated and owned by L.J. Melody subject to an unconditional, irrevocable commitment to purchase such mortgage loans by the Federal Home Loan Mortgage Corporation, so long as loans made by RFC or such other lender to L.J. Melody thereunder are secured by a pledge of commercial mortgage loans made by L.J. Melody with the proceeds of such loans and RFC or such other lender has a perfected first priority security interest therein, to secure loans made under

such credit facility.

NET CASH PROCEEDS

The term "Net Cash Proceeds" means (a) with respect to any Asset Sale by any Person, the proceeds thereof (without duplication in respect of all Asset Sales) in the form of cash or Cash Equivalents including

payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Corporation or any Restricted Subsidiary) net of (i) brokerage commissions and other reasonable fees and expenses (including fees and expenses of legal counsel and investment bankers) related to such Asset Sale, (ii) provision for all taxes payable as a result of such Asset Sale, (iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale, (iv) amounts required to be paid to any Person (other than the Corporation or any Restricted Subsidiary) owning a beneficial interest in or having a Lien on the assets subject to the Asset Sale and (v) appropriate amounts to be provided by the Corporation or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Corporation or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale (provided that the amount of any such reserves shall be deemed to constitute Net Cash Proceeds at the time such reserves shall have been released or are not otherwise required to be retained as a reserve), all as reflected in an officers' certificate delivered to the Trustee and (b) with respect to any issuance or sale of shares of Capital Stock that have been converted into or exchanged for shares of Capital Stock as referred to in Section 2.03 of this First Supplemental Indenture, the proceeds of such issuance or sale in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Corporation or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

NOTES

The term "Notes" shall mean the Series of Securities authorized under and being issued pursuant to this First Supplemental Indenture.

ORIGINAL INDENTURE

The term "Original Indenture" shall mean that certain Indenture dated as of May 26, 1998, between the Corporation and the Trustee, as such indenture was originally executed.

PARI PASSU INDEBTEDNESS

The term "Pari Passu Indebtedness" means any Indebtedness of the Corporation which ranks pari passu in right of payment of the Notes.

PERMITTED INDEBTEDNESS

The term "Permitted Indebtedness" shall have the meaning ascribed to such term in Section 2.02 of this First Supplemental Indenture.

PERMITTED INVESTMENTS

The term "Permitted Investments" means (a) Cash Equivalents; (b) Investments in prepaid expenses, negotiable instruments held for collection and base utility and workers' compensation performance and other similar deposits; (c) loans and advances to vendors, employees and sales representatives, in each case, made in the ordinary course of business not to exceed $12.5 million in the aggregate at any one time outstanding; (d) Interest Rate Agreements, Currency Agreements, and Commodity Price Protection

Agreements permitted under subsections (f) and (g) of Section 2.02 of this First Supplemental Indenture; (e) Investments represented by accounts receivable created or acquired in the ordinary course of business; (f) Investments existing on the Issue Date and any renewal or replacement thereof on terms and conditions no less favorable in any respect than that existing on the Issue Date; (g) any Investment to the extent that the consideration therefor is Qualified Capital Stock of the Corporation; (h) bonds, notes, debentures or other securities or other non-cash proceeds received in connection with an Asset Sale permitted under Section 2.07 of this First Supplemental Indenture not to exceed 20% of the

total consideration in such Asset Sale; (i) Indebtedness permitted under subsections (d) and (e) of the second paragraph of Section 2.02 of this First Supplemental Indenture; (j) Investments in any of the Notes or any other debt securities of the Corporation not otherwise prohibited by the Indenture; and (k) the initial Investment in any non-U.S. Person that becomes a Restricted Subsidiary, pursuant to which the Corporation or a Wholly-Owned Restricted Subsidiary acquires 90% or more of the voting and economic interests therein.

PERMITTED MELODY INDEBTEDNESS

The term "Permitted Melody Indebtedness" means Indebtedness of L.J. Melody under the Melody Loan Arbitrage Facility and the Melody Mortgage Warehousing Facility.

PERSON

The term "Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency, authority or political subdivision thereof.

PREFERRED STOCK

The term "Preferred Stock" means, with respect to any Person, Capital Stock of any class or, classes (however designated) of such Person which is preferred as to the payment of dividends or distributions or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such person, over Capital Stock of any other class of such Person.

PUBLIC EQUITY OFFERING

The term "Public Equity Offering" shall have the meaning ascribed to such term in Section 3.02(b) of this First Supplemental Indenture.

QUALIFIED CAPITAL STOCK

The term "Qualified Capital Stock" of any person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

RATING AGENCIES

The term "Rating Agencies" means (i) Standard & Poor's Ratings Group and (ii) Moody's Investors Service, Inc. or (iii) if Standard & Poor's Ratings Group or Moody's Investors Service, Inc. or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Corporation, which shall be substituted for Standard & Poor's Ratings Group, Moody's Investors Service, Inc. or both, as the case may be.

REDEEMABLE CAPITAL STOCK

The term "Redeemable Capital Stock" means any class or series of Capital Stock to the extent that, either by its terms, by the terms of any security into which it is convertible or exchangeable, or by contract or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to any Stated Maturity of the principal of the Notes or is redeemable at the option of the holder thereof at any time prior to such Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to such Stated Maturity.

REFERENCE PERIOD

The term "Reference Period" has the meaning set forth under the definition of "Consolidated Fixed Charge Coverage Ratio."

RELATED BUSINESS

The term "Related Business" means real estate services related businesses or a line of business reasonably related to the business conducted by the Corporation or any of its Subsidiaries at such time.

RESTRICTED PAYMENT

The term "Restricted Payment" shall have the meaning ascribed to such term in Section 2.03 of this First Supplemental Indenture.

RESTRICTED SUBSIDIARY

The term "Restricted Subsidiary" means any Subsidiary of the Corporation that has not been designated by the Board of Directors, by a board resolution delivered to the Trustee, as an Unrestricted Subsidiary pursuant to and in compliance with the provisions of Section 2.10 of this First Supplement Indenture. Any such Designation may be revoked by a board resolution of the

Board of Directors delivered to the Trustee, subject to the provisions of such covenant.

REVOCATION

The term "Revocation" shall have the meaning ascribed to such term in Section 2.10 of this First Supplemental Indenture.

REVOLVING CREDIT FACILITY

The term "Revolving Credit Facility" means that amended and restated credit agreement dated as of May 20, 1998 among the Corporation and Bank of America National Trust and Savings Association, as agent, and the other financial institutions party thereto, together with the related documents thereto (including, without limitation, any guarantee agreements, pledge agreements and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder (provided that such increase in borrowings is permitted under the provisions of Section 2.02 of this First Supplemental Indenture) or adding Subsidiaries of the corporation as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

SECURITIES ACT

The term "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

SENIOR INDEBTEDNESS

The term "Senior Indebtedness" means, with respect to the Corporation, the principal of, premium, if any, and interest on any Indebtedness of the Corporation whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to any Indebtedness of the Corporation. Without limiting the generality of the foregoing, the term "Senior Indebtedness" will also include the principal of, premium, if any, and interest (including interest that would accrue but for the filing of a petition initiating any proceeding under any state or federal bankruptcy laws, whether or not such claim is allowable in such proceeding at the rate provided for in the documentation with respect thereto) on, and all other amounts owing in respect of, all obligations of every nature of the Corporation, from time to time owed to the lenders under the Revolving Credit Facility including, without limitation, principal of and interest on, and reimbursement obligations under letters of credit and all fees, expenses and indemnities payable under the Revolving Credit Facility. Notwithstanding the foregoing, "Senior Indebtedness" shall not include, to the extent constituting Indebtedness, (i) Indebtedness evidenced by the Notes (ii) Indebtedness that is subordinate or junior in right of payment to any Indebtedness of the Corporation, (iii) Indebtedness which, when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to the Corporation, (iv) Indebtedness which is represented by Redeemable Capital Stock, (v) Indebtedness for goods, materials or services purchased in the ordinary course of business or Indebtedness consisting of trade payables or other current liabilities (other than any current liabilities owing under the Revolving Credit Facility or the current portion of any long-term Indebtedness which would constitute Senior Indebtedness but for the operation of this clause (v)), (vi) Indebtedness of or amounts owed by the Corporation for compensation to employees or for services rendered to the Corporation, (vii) any liability for federal, state, local or other taxes owed or owing by the Corporation, (viii) Indebtedness of the Corporation to a Subsidiary of the Corporation, and (ix) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture.

STATED MATURITY

The term "Stated Maturity" means, with respect to any Note or any installment of interest thereon, the dates specified in such Note as the fixed date on which the principal of such Note or such installment of interest is due and payable, and when used with respect to any other Indebtedness means the date specified in the instrument governing such Indebtedness as the fixed date on which the principal of such Indebtedness or any installment of interest is due and payable.

SUBORDINATED INDEBTEDNESS

The term "Subordinated Indebtedness" means, with respect to the Corporation, Indebtedness of the Corporation which is expressly subordinated in right of payment to the Notes.

SUBORDINATED OBLIGATIONS

The term "Subordinated Obligations" means Indebtedness represented by, and all obligations in respect of, the Notes and the payment of principal of, premium, if any, interest on, and all other amounts owing in respect of, the Notes.

SUBSIDIARY

The term "Subsidiary" means, with respect to any Person, (a) any corporation of which the outstanding shares of Voting Stock having at least a majority of the votes entitled to be cast in the election of directors shall at the time be owned, directly or indirectly, by such Person, or (b) any other Person of which at least a majority of the shares of Voting Stock are at the time, directly or indirectly, owned by such first named Person.

SURVIVING PERSON

The term "Surviving Person" means, with respect to any Person involved in any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of its properties and assets as an entirety, the Person formed by or surviving such merger or consolidation or the Person to which such sale, assignment, conveyance, transfer or lease is made.

TRANSACTION DATE

The term "Transaction Date" shall have the meaning ascribed to such term in the definition of "Consolidated Fixed Charge Coverage Ratio."

UNRESTRICTED SUBSIDIARY

The term "Unrestricted Subsidiary" means each Subsidiary of the Corporation designated as such pursuant to and in compliance with the provisions of Section 2.10 of this First Supplemental indenture and each Subsidiary of each such Subsidiary of the Corporation. Any such designation may be revoked by a board resolution of the Corporation delivered to the Trustee, subject to the provisions of such Section 2.10.

UNUTILIZED NET CASH PROCEEDS

The term "Unutilized Net Cash Proceeds" shall have the meaning ascribed to such term in Section 2.07 of this First Supplemental Indenture.

VOTING STOCK

The term "Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

WHOLLY-OWNED RESTRICTED SUBSIDIARY

The term "Wholly-Owned Restricted Subsidiary" means any Restricted Subsidiary of which 100% of the outstanding Capital Stock is owned by the Corporation and/or another Wholly-Owned Restricted Subsidiary. For purposes of this definition, any directors' qualifying shares shall be disregarded in determining the ownership of a Restricted Subsidiary.

SECTION 1.02. OTHER DEFINITIONS. All of the terms appearing herein shall be defined as the same are now defined under the provisions of the Original Indenture, except as when expressly herein otherwise defined.

ARTICLE TWO

ADDITIONAL COVENANTS OF THE CORPORATION

SECTION 2.01. APPLICABILITY. In addition to the covenants set forth in the Original Indenture, the covenants set forth in this Article Two shall apply to the Notes, provided, however, that if no Default or Event of Default has occurred and is continuing, after the ratings assigned to the Notes by both Rating Agencies are equal to or higher than BBB- and Baa3, or the equivalents thereof, respectively (the "Investment Grade Ratings"), and notwithstanding that the Notes may later cease to have an Investment Grade Rating, the Corporation and the Restricted Subsidiaries will not be subject to the provisions of the covenants contained in Sections 2.04, 2.07, 2.08, 2.09 and subsection (iii) of the first paragraph of Section 2.12 of this First Supplemental Indenture.

SECTION 2.02. LIMITATION ON INDEBTEDNESS. The Corporation will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume, issue, guarantee or in any manner become liable for or with respect to, contingently or otherwise (in each case, to "incur"), the payment of any Indebtedness (including any Acquired Indebtedness but excluding any Permitted Indebtedness (as defined in this Section 2.02), provided however, that the Corporation and each Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness) if immediately after giving pro forma effect thereto, the Consolidated Fixed Charge Coverage Ratio of the Corporation is at least equal to 2:1.

Notwithstanding the foregoing, the Corporation and the Restricted Subsidiaries may incur each and all of the following (collectively, "Permitted Indebtedness"):

(a) Indebtedness of the Corporation, or any Restricted Subsidiary which guarantees the Corporation's obligations, (without duplication) under any Bank Credit Facility;

(b) Indebtedness of the Corporation pursuant to the Notes and Indebtedness of any Restricted Subsidiary pursuant to its guarantee of the Notes;

(c) Indebtedness (other than Indebtedness under any Bank Credit Facility and the Notes) of the Corporation or any Restricted Subsidiary outstanding on the date of this First Supplemental Indenture;

(d) Indebtedness of the Corporation owing to a Restricted Subsidiary; provided that any Indebtedness for borrowed money of the Corporation owing to a Restricted Subsidiary is made pursuant to an intercompany note or loan or credit agreement and is subordinated in accordance with provisions set forth in the Indenture; provided, further, that any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to a Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the Corporation not permitted by this clause (d);

(e) Indebtedness of a Restricted Subsidiary owing to and held by the Corporation or a Wholly-Owned Restricted Subsidiary; provided that any such Indebtedness for borrowed money is made pursuant to an intercompany note or loan or credit agreement; provided, further, that (a) any disposition, pledge or transfer of any such Indebtedness to a Person (other than the Corporation or a Wholly-Owned Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (e);

(f) Indebtedness of the Corporation or any Restricted Subsidiary under Interest Rate Agreements covering Indebtedness of the Corporation or such Restricted Subsidiary (which Indebtedness (i) bears interest at fluctuating interest rates and (ii) is otherwise permitted to be incurred under this covenant) to the extent the notional principal amount of the obligations under such Interest Rate Agreements does not exceed the principal amount of the Indebtedness to which such obligations relate;

(g) Indebtedness of the Corporation or any Restricted Subsidiary under Currency Agreements relating to (i) Indebtedness of the Corporation or such Restricted Subsidiary and/or (ii) obligations to purchase or sell assets or properties or to reduce foreign currency fluctuation risk, in each case, incurred in the ordinary course of business of the Corporation and not for purposes of speculation; provided, however, that such Currency Agreements do not increase the Indebtedness or other obligations of the Corporation outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(h) Reimbursement obligations under letters of credit and letters of credit, in each case, to support (i) workers compensation obligations and (ii) performance bonds, surety bonds, performance guarantees and supplier obligations not to exceed $20 million in the aggregate at any time outstanding, in the case of each of such clause (i) and (ii) of the Corporation, in the ordinary course of business consistent with past practice;

(i) Guarantees by the Corporation of Indebtedness of any Restricted Subsidiary or by any Restricted Subsidiary of Indebtedness of the Corporation; provided that such Indebtedness of such Restricted Subsidiary of the Corporation, as the case may be, is permitted by the terms of this First Supplemental Indenture;

(j) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "refinancing") of any Indebtedness described in clauses (b) and (c) of this definition of "Permitted

Indebtedness," including any successive refinancings so long as the aggregate principal amount of Indebtedness represented thereby is not increased by such refinancing plus the lesser of (i) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (ii) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Corporation or a Restricted Subsidiary incurred in connection with such refinancing and (x) in the case of any refinancing of Indebtedness that is Subordinated Indebtedness, such new Indebtedness is subordinated to the Notes at least to the same extent as the Indebtedness being refinanced, (y) such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness and (z) the primary obligor of such refinancing Indebtedness is the same Person as the primary obligor on the Indebtedness being refinanced unless the new primary obligor is the Corporation;

(k) Permitted Melody Indebtedness; and

(l) Indebtedness of the Corporation or any Restricted Subsidiary in addition to that described in clauses (a) through (k) of this Section 2.02, and any renewals, extensions, substitutions, refinancings or replacements of such Indebtedness, so long as the aggregate principal amount of all such Indebtedness shall not exceed $30 million outstanding at any one time.

SECTION 2.03. LIMITATION ON RESTRICTED PAYMENTS. (a) The Corporation will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(i) declare or pay any dividend or make any other distribution or payment on or in respect of its Capital Stock or any payment to the direct or indirect holders (in their capacities as such) of its Capital Stock (other than dividends or distributions payable solely in shares of Qualified Capital Stock and dividends or distributions payable to the Corporation or a Restricted Subsidiary (and, if such Restricted Subsidiary seeking to declare or pay such dividend or distribution is not a Wholly-Owned Restricted Subsidiary, to its other shareholders on a pro rata basis or on a basis that results in the receipt by the Corporation or its Wholly-Owned Restricted Subsidiaries of dividends or distributions of greater value than they would receive on a pro rata basis)); or

(ii) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, any Capital Stock of the Corporation (other than any such Capital Stock owned by any Wholly-Owned Restricted Subsidiary) or options, warrants or other rights to acquire such Capital Stock; or

(iii) make any principal payment on, or purchase, repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled maturity, scheduled repayment, scheduled sinking fund payment or other Stated Maturity, any Subordinated Indebtedness (other than any Subordinated Indebtedness owed to and held by the Corporation); or

(iv) make any Investment (other than any Permitted Investment) in any Person (other than in the Corporation, any Wholly-Owned Restricted Subsidiary or a Person that becomes a Wholly-Owned Restricted Subsidiary, or is merged with or into or consolidated with the Corporation or a Wholly-Owned Restricted Subsidiary (provided the Corporation or a Wholly-Owned Restricted Subsidiary is the survivor), as a result of or in connection with such Investment)

(any of the foregoing actions described in clauses (i) through (iv), other than any such action that is a Permitted Payment (as defined below), collectively, "Restricted Payments") (the amount of any such Restricted Payment, if other than cash, shall be the Fair Market Value of the asset(s) proposed to be transferred by the Corporation or such Restricted Subsidiary, as the case may be, in each case, as determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a board resolution), unless (1) immediately after giving effect to such Restricted Payment on a pro forma basis, no Default or Event of Default shall have occurred and be continuing; (2) immediately after giving effect to such Restricted Payment on a pro forma basis, the Corporation could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions of Section 2.02 of this First Supplemental Indenture and (3) after giving effect to the proposed Restricted Payment, the aggregate amount of all such Restricted Payments declared or made after the Issue Date, does not exceed $35 million plus the sum of:

(A) 50% of the aggregate cumulative Consolidated Net Income of the Corporation during the period (treated as one accounting period) beginning on the first day of the fiscal quarter beginning after the Issue Date and ending on the last day of the Corporation's last fiscal quarter ending prior to the

date of the Restricted Payment (or, if such aggregate cumulative Consolidated Net Income shall be a deficit, minus 100% of such deficit);

(B) the aggregate Net Cash Proceeds received after the Issue Date by the Corporation from the issuance or sale (other than to any of the Restricted Subsidiaries) of Qualified Capital Stock of the Corporation or from the

exercise of any options, warrants or rights to purchase such Qualified Capital Stock of the Corporation (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Indebtedness as set forth in clause (ii) or (iii) of paragraph (b) below and excluding the net cash proceeds from any issuance and sale of Qualified Capital Stock or from any such exercises, in each case, financed, directly or indirectly, using funds borrowed from the Corporation or any Restricted Subsidiary until and to the extent such borrowing is repaid);

(C) the aggregate Net Cash Proceeds received after the Issue Date by the Corporation from the conversion or exchange, if any, of debt securities or Redeemable Capital Stock of the Corporation or its Subsidiaries into or for Qualified Capital Stock of the Corporation plus, without duplication, the aggregate of Net Cash Proceeds from their original issuance, less any principal and sinking fund payments made thereon;

(D) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date, an amount (to the extent not included in Consolidated Net Income) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment which was treated as a Restricted Payment, in either case, less the cost of disposition of such Investment and net of taxes; and

(E) so long as the Designation thereof was treated as a Restricted Payment made after the Issue Date, with respect to any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary after the Issue Date in accordance with the provisions of Section 2.10 of this First Supplemental Indenture, the Fair Market Value of the interest of the Corporation and the Restricted Subsidiaries in such Subsidiary, provided that such amount shall not in any case exceed the Designation Amount with respect to such Restricted Subsidiary upon its Designation.

b. Notwithstanding the foregoing, and in the case of clauses (ii) through (vi) below, so long as no Default or Event of Default shall have occurred and be continuing or would arise therefrom, the foregoing provisions shall not prohibit the following actions (each of clauses (i) through (iv) being referred to as a "Permitted Payment"):

(i) the payment of any dividend within 60 days after the date of declaration thereof, if (A) at such date of declaration such payment was permitted by the provisions of the Indenture and (B) such payment shall have been deemed to have been paid on such date of declaration and shall have been deemed a "Restricted Payment" for purposes of the calculation required by paragraph (a) of this Section 2.03;

(ii) the repurchase, redemption, or other acquisition or retirement of any shares of any class of Capital Stock of the Corporation in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issue and sale for cash to any Person (other than to a Restricted Subsidiary) of, shares of Qualified Capital Stock of the Corporation: provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (B) of paragraph (a) of this Section 2.03;

(iii) the repurchase, redemption, defeasance, retirement or acquisition for value or payment of principal of any Subordinated Indebtedness in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale for cash to any Person (other than to any Restricted Subsidiary of the Corporation) of, any Qualified Capital Stock of the Corporation; provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock

are excluded from clause (B) of paragraph (a) of this Section 2.03;

(iv) the repurchase, redemption, defeasance, retirement, acquisition for value or payment of principal of any Subordinated Indebtedness (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale for cash to any Person (other than to a Restricted Subsidiary) of, new Subordinated Indebtedness; provided that any new Subordinated Indebtedness (1) shall be in a principal amount that does not exceed the principal amount so repurchased, redeemed, defeased, retired, acquired or paid (or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (I) the stated amount of any premium or other payment required to be paid in connection with such repurchase, redemption, defeasance, retirement, acquisition or payment pursuant to the terms of the Indebtedness being repurchased, redeemed, defeased, retired, acquired or paid or (II) the amount of premium or other payment actually paid at such time to repurchase, redeem, defease, retire, acquire or pay the Indebtedness, plus, in either case, the amount of expenses of the Corporation incurred in connection with such repurchase, redemption, defeasance, retirement, acquisition or payment; (2) has an Average Life to Stated Maturity equal to or greater than the Average Life to Stated Maturity of the Subordinated Indebtedness being repurchased, redeemed, defeased, retired, acquired or paid; (3) has a Stated Maturity no earlier than the Stated Maturity of the Subordinated Indebtedness being refinanced, redeemed, defeased, retired or acquired for value and (4) is expressly subordinated in right of payment to the Notes at least to the same extent as the Subordinated Indebtedness to be repurchased, redeemed, defeased, retired, acquired or paid;

(v) the purchase of stock or stock options from employees of the Corporation and its Subsidiaries which stock was purchased by the employee pursuant to an employee benefit plan approved by the Board of Directors (or any committee thereof), in an aggregate amount not to exceed $3.0 million in any fiscal year; and

(vi) co-investments by Westmark Realty Advisors L.L.C. with funds and separate accounts that are subject to ERISA regulations, in an aggregate amount not to exceed $10 million in any twelve-month period.

c. In computing the amount of Restricted Payments previously made for purposes of clause (3) of paragraph (a) of this Section 2.03, Restricted Payments under clauses (i) (as described in subclause (B) of such clause), (v) and (vi) of paragraph (b) of this Section 2.03 shall be included.

SECTION 2.04. LIMITATION ON TRANSACTIONS WITH AFFILIATES. The Corporation will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, conduct any business or enter into or suffer to exist any contract, agreement, arrangement or transaction with, or for the benefit of, any Affiliate of the Corporation or of a Restricted Subsidiary (an "Affiliate Transaction") or any series of related Affiliate Transactions (in either case, other than Exempted Affiliate Transactions) (i) unless it is determined that the terms of such Affiliate Transaction are fair and reasonable to the Corporation or such Restricted Subsidiary, as applicable, and no less favorable to the Corporation or such Restricted Subsidiary, as applicable, or to the Corporation and its Restricted Subsidiaries as a whole, than could have been obtained in an arm's-length

transaction with a non-Affiliate and (ii) if involving consideration to either party in excess of $5 million, unless such Affiliate Transaction has been approved by a majority of the members of the Board of Directors that are disinterested in such transaction and (iii) if involving consideration to either party in excess of $25 million, unless in addition to the foregoing, the Corporation, prior to the consummation thereof, obtains a written favorable opinion as to the fairness of such transaction to the Corporation, or such Restricted Subsidiary, as applicable, from a financial point of view from an independent investment banking firm of national reputation (or, if nationally recognized investment banking firms do not customarily render opinions with respect to transactions of such type, by a nationally recognized expert with experience in evaluating the terms and conditions of transactions of such type).

SECTION 2.05. LIMITATION ON LIENS. The Corporation will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume, suffer to exist or affirm any Lien of any kind securing any (a) Pari Passu Indebtedness or Subordinated Indebtedness (including any assumption, guarantee or other liability with respect thereto by any Restricted Subsidiary) upon any of its property or assets (including any intercompany notes), whether owned on the Issue Date or acquired after the Issue Date, or any proceeds, income or profits therefrom, or assign or convey any right to receive proceeds,

income or profits therefrom, unless the Notes are directly secured equally and ratably with (or, in the case of Subordinated Indebtedness, prior or senior thereto, with the same relative priority as the Notes shall have with respect to such Subordinated Indebtedness) the obligation or liability secured by such Lien, except for Liens (A) securing any Indebtedness which became Indebtedness pursuant to a transaction permitted under Section 2.12 of this First Supplemental Indenture or securing Acquired Indebtedness which, in each case, were created prior to (and not created in connection with, or in contemplation of) the incurrence of such Pari Passu Indebtedness or Subordinated Indebtedness (including any assumption, guarantee or other liability with respect thereto by any Restricted Subsidiary) and which Indebtedness is permitted under the provisions of Section 2.02 of this First Supplemental Indenture or (B) securing any Indebtedness incurred in connection with any refinancing, renewal, substitution or replacement of any such Indebtedness incurred in connection with any Indebtedness described in clause (A) so long as the aggregate principal amount of Indebtedness represented thereby is not increased by such refinancing by an amount greater than the lesser of (i) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (ii) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Corporation incurred in connection with such refinancing; provided, however, that in the case of clauses (A) and (B) any such Lien only extends (x) to the assets that were subject to such Lien securing such Indebtedness prior to the related acquisition by the Corporation or the Restricted Subsidiary or (y) in the case of assets constituting receivables, extend to additional receivables of a similar nature and not materially greater in value that the receivables securing such Indebtedness prior to the related acquisition by the Corporation or the Restricted Subsidiary, or (b) Senior Indebtedness which is incurred in violation of the terms of the Indenture.

SECTION 2.06. LIMITATION ON INCURRENCE OF SENIOR SUBORDINATED INDEBTEDNESS. The Corporation will not, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise permit to exist any Indebtedness that is subordinate or junior in right of payment to any Indebtedness of the Corporation unless such Indebtedness is also (i) pari passu with the Notes or subordinate or junior, in right of payment to the Notes and (ii) does not have a Stated Maturity shorter than the final Stated Maturity of the Notes.

SECTION 2.07. LIMITATION ON SALE OF ASSETS. The Corporation will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, consummate an Asset Sale unless (i) at least 80% of the consideration from such Asset Sale is received in cash or Cash Equivalents or Eligible Securities and (ii) the Corporation or such Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets subject to such Asset Sale.

If all or a portion of the Net Cash Proceeds of any Asset Sale are not required to be applied to repay permanently any Senior Indebtedness outstanding as required by the terms thereof, or the Corporation determines not to apply such Net Cash Proceeds to the permanent repayment of the Senior Indebtedness which is required to be prepaid, or if no such Senior Indebtedness is then outstanding, the Corporation or such Restricted Subsidiary may within 365 days of such Asset Sale, invest the Net Cash Proceeds in capital expenditures, properties and other assets that (as determined by the board of directors of the Corporation) replace the properties and assets that were the subject of the Asset Sale or in properties and assets that will be used in the businesses of the Corporation or its Subsidiaries existing on the Issue Date or in businesses reasonably related thereto.

To the extent (i) the Corporation or a Restricted Subsidiary, as the case may be, received more than 20% of the consideration from an Asset Sale in the form of Eligible Securities (the fair market value (on the date of such Asset Sale) of such amount in excess of 20% of the consideration is referred to herein as the "Eligible Securities Proceeds") or (ii) all or part of the Net Cash Proceeds of any Asset Sale are not applied, or the Corporation determines not to so apply such Net Cash Proceeds, within 365 days of such Asset Sale as described in the immediately preceding paragraph (such Net Cash Proceeds, the "Unutilized Net Cash Proceeds" and together with the Eligible Securities Proceeds, the "Excess Proceeds"), the Corporation shall, within 20 days after such 365th day or at any earlier time after such Asset Sale, make an offer to purchase (the "Asset Sale Offer") all outstanding Notes and any Pari Passu Indebtedness the terms of which require such an offer to be made up to a maximum principal amount (expressed as a multiple of $1,000) of Notes and such Pari Passu Indebtedness equal to such Excess Proceeds, at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Purchase Date; provided, however, that the Asset Sale Offer may be deferred until there are aggregate Excess Proceeds, equal to or in excess of $20 million, at which time the entire amount of such Excess Proceeds and not just the amount in excess of $20 million, shall be applied as required pursuant to this paragraph. An Asset Sale Offer will be required to be kept open for a period of

at least 20 business days.

With respect to any Asset Sale Offer effected pursuant to this Section 2.07, among the Notes and such Pari Passu Indebtedness, to the extent the aggregate principal amount of Notes and such Pari Passu Indebtedness tendered pursuant to such Asset Sale Offer exceeds the Excess Proceeds to be applied to the repurchase thereof, such Notes and such Pari Passu Indebtedness shall be purchased pro rata based on the aggregate principal amount of such Notes and such Pari Passu Indebtedness tendered. To the extent the Excess Proceeds exceed the aggregate amount of Notes and such Pari Passu Indebtedness tendered pursuant to such Asset Sale Offer, the Corporation may retain and utilize any portion of the Excess Proceeds not applied to repurchase the Notes and such Pari Passu Indebtedness for any purpose consistent with the other terms of the Indenture and such excess amount of Excess Proceeds shall not be included in any future determination of Excess Proceeds.

In the event that the Corporation makes an Asset Sale Offer, the Corporation shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act, and any other applicable securities laws or regulations and any applicable requirements of any securities exchange on which the Notes are listed, and any violation of the provisions of the Indenture relating to such Asset Sale Offer occurring as a result of such compliance shall not be deemed a Default.

SECTION 2.08. LIMITATION ON PREFERRED STOCK OF RESTRICTED SUBSIDIARIES. The Corporation will not (a) sell and will not cause or permit any Restricted Subsidiary of the Corporation to issue, sell or transfer any Preferred Stock of any Restricted Subsidiary (other than to the Corporation or to a Wholly-Owned Restricted Subsidiary) or otherwise (b) permit any Person (other than the Corporation or a Wholly-Owned Restricted Subsidiary) to own any Preferred Stock of any Restricted Subsidiary, in each case, except for (i) Preferred Stock issued or sold to, held by or transferred to the Corporation or a Wholly-Owned Restricted Subsidiary, and (ii) Preferred Stock issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary

or (B) such Person merges with or into a Restricted Subsidiary, provided that such Preferred Stock was not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A) or (B).

SECTION 2.09. LIMITATION ON DIVIDENDS AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES. The Corporation will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or enter into any agreement with any Person that would cause to become effective, any consensual encumbrance or restriction of any kind, on the ability of any Restricted Subsidiary to (i) pay dividends, in cash or otherwise, or make any other distribution on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits, to the Corporation or any other Restricted Subsidiary, (ii) pay any Indebtedness owed to the Corporation or any other Restricted Subsidiary, (iii) make any Investment in the Corporation or any other Restricted Subsidiary or (iv) transfer any of its properties or assets to the Corporation or any other Restricted Subsidiary, except for: (a) any encumbrance or restriction existing under any agreement in effect on the Issue Date; (b) any encumbrance or restriction, with respect to a Person that is not a Restricted Subsidiary of the Corporation on the Issue Date, in existence at the time such Person becomes a Restricted Subsidiary of the Corporation, and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; provided, however, that such encumbrances and restrictions are not applicable to the Corporation or any other Restricted Subsidiary, or the properties or assets of the Corporation or any other Restricted Subsidiary; (c) customary provisions restricting the subletting or assignment of any lease or the assignment of any other contract to which the Corporation or any Restricted Subsidiary is a party, which lease or contract is entered into in the ordinary course of business consistent with past practice; (d) any encumbrance or restriction contained in contracts for (x) sales of assets or stock permitted by Section 2.07 of this First Supplemental Indenture or (y) the purchase of assets or stock which arises out of an earn-out or similar arrangement; provided that, in each case, such encumbrance or restriction relates only to assets being purchased or sold pursuant to the contract containing such encumbrances or restriction; (e) any encumbrance or restriction customarily contained in any security agreement or mortgage which security agreement or mortgage creates a Lien permitted under this Indenture; provided that such encumbrance or restriction relates only to assets subject to such Lien; and (f) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a), (b), (c) and (e), or in this clause (f), provided that the terms and conditions of any such encumbrances or restrictions are not more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

SECTION 2.10. LIMITATIONS ON UNRESTRICTED SUBSIDIARIES. The Corporation may designate after the Issue Date any Subsidiary as an "Unrestricted Subsidiary" under the Indenture (a "Designation") only if:

(i) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(ii) the Corporation would be permitted to make an Investment (other than a Permitted Investment) at the time of Designation (assuming the effectiveness of such Designation) pursuant to paragraph (a)(iv) of Section 2.03 in an amount (the "Designation Amount") equal to the Fair Market Value of the Corporation's interest in such Subsidiary on such date; and

(iii) the Corporation would be permitted under the Indenture to incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 2.02 of this First Supplemental Indenture at the time of such Designation (assuming the effectiveness of such Designation).

In the event of any such Designation, the Corporation shall be deemed to have made an Investment constituting a Restricted Payment pursuant to the provisions set forth in Section 2.03 of this First Supplemental Indenture for all purposes of the Indenture in the Designation Amount.

The Corporation shall not, and shall not cause or permit any Restricted Subsidiary to, at any time (x) provide credit support for or subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) or (y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary, except any non-recourse guarantee given solely to support the pledge by the Corporation or any Restricted Subsidiary of the Capital Stock of an Unrestricted Subsidiary. All Subsidiaries of Unrestricted Subsidiaries shall automatically be deemed to be Unrestricted Subsidiaries.

The Corporation may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(A) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(B) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture; and

(C) any transaction (or series of related transactions) between such Subsidiary and any of its Affiliates that occurred while such Subsidiary was an Unrestricted Subsidiary would be permitted by Section 2.04 of this First Supplemental Indenture as if such transaction (or series of related transactions) had occurred at the time of such Revocation.

All Designations and Revocations must be evidenced by resolutions of the Board of Directors delivered to the Trustee certifying compliance with the foregoing provisions.

SECTION 2.11. PROVISION OF FINANCIAL STATEMENTS. So long as the Notes are outstanding, whether or not the Corporation is subject to Section 13(a) or 15(d) of the Exchange Act, or any successor provision thereto, the Corporation will, to the extent permitted by Commission practice and applicable law and regulations, file with the Commission the annual reports, quarterly reports and other documents which the Corporation would have been required to file with the Commission pursuant to such Section 13(a) or 15(d), or any successor provision thereto, if the Corporation were so subject, such documents to be filed with the Commission on or prior to the date (the "Required Filing Dates") by which the Corporation would have been required so to file such documents if the Corporation were so subject. The Corporation will also in any event (x) within 15 days of each Required Filing Date, whether or not permitted or required to be filed with the Commission, (i) transmit or cause to be transmitted by mail to all Holders of the Notes and (ii) file with the Trustee, copies of the annual reports, quarterly reports and other documents which the Corporation would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act, or any successor provision thereto, if the Corporation were subject to either of such Sections and (y) if filing such documents by the Corporation with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder at the Corporation's cost. In addition, for so long as any Notes remain outstanding, the Corporation will furnish to the Holders of Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, and, to any beneficial Holder of Notes, if not obtainable from the Commission, information of the type that would be filed with the Commission pursuant to the foregoing provisions, upon the request of any such Holder. If any Subsidiaries' financial

statements would be required to be included in the financial

statements filed or delivered pursuant hereto if the Corporation were subject to Section 13(a) or 15(d) of the Exchange Act, the Corporation shall include such Subsidiaries' financial statements in any filing or delivery pursuant hereto.

SECTION 2.12. CONSOLIDATION, MERGER, SALE OF ASSETS, ETC. The Corporation shall not, in any transaction or series of related transactions, merge or consolidate with or into, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to, any Person or Persons, and the Corporation shall not permit any of the Restricted Subsidiaries to enter into any such transaction or series of related transactions if such transaction or series of related transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Corporation and the Restricted Subsidiaries (determined on a consolidated basis for the Corporation and the Restricted Subsidiaries), to any Person or Persons, unless at the time and after giving effect thereto (i) either (A) (1) if the transaction or transactions is a merger or consolidation involving the Corporation, the Corporation shall be the Surviving Person of such merger or consolidation or (2) if the transaction or transactions is a merger or consolidation involving a Restricted Subsidiary, such Restricted Subsidiary shall be the Surviving Person of such merger or consolidation, or (B) (1) the Surviving Person shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and (2) in the case of a transaction involving the Corporation, the Surviving Person, if other than the Corporation, shall expressly assume (unless such obligations are otherwise assumed by operation of law) by a Supplemental Indenture executed and delivered to the Trustee, all the obligations of the Corporation under the Notes and the Indenture, and in each case, the Indenture and the Notes shall remain in full force and effect; (ii) immediately after giving effect to such transaction or series of related transactions on a pro forma basis, no Default or Event of Default shall have occurred and be continuing; and (iii) the Corporation, or the Surviving Person, as the case may be, immediately after giving effect to such transaction or series of related transactions on a pro forma basis (including, without limitation, any Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction or series of transactions), could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions of Section 2.02 of this First Supplemental Indenture, and at the time of the transaction if any of the property or assets of the Corporation or any of its Restricted Subsidiaries would thereupon become subject to any Lien, the provisions of Section 2.05 of this First Supplemental Indenture are complied with.

Upon any consolidation or merger of the Corporation or any transfer of all or substantially all of the assets of the Corporation in accordance with the foregoing, in which the Corporation is not the Surviving Person, the Surviving Person shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under the Indenture and the Notes with the same effect as if such successor corporation had been named as the Corporation therein; and thereafter, except in the case of (a) a lease or (b) any sale, assignment, conveyance, transfer, lease or other disposition to a Restricted Subsidiary of the Corporation, the Corporation shall be discharged from all obligations and covenants under the Indenture.

For all purposes of the Indenture and the Notes (including the provision of this Section 2.12 and Sections 2.02, 2.03 and 2.05 of this First Supplemental Indenture), Subsidiaries of any Surviving Person shall, upon such transaction or series of related transactions, become Restricted Subsidiaries unless and until designated as Unrestricted Subsidiaries pursuant to and in accordance with the provisions of Section 2.10 of this First Supplemental Indenture and all Indebtedness, and all Liens on property or assets, of the Corporation and the Restricted Subsidiaries in existence immediately prior to such transactions or series of related transactions will be deemed to have been incurred upon such transaction or series of related transactions.

Notwithstanding anything to the contrary in this Section 2.12, a Restricted Subsidiary may merge with or into another Restricted Subsidiary.

SECTION 2.13. PAYMENT OF TAXES AND OTHER CLAIMS. Except with respect to immaterial items, the Corporation shall, and shall cause each of its Subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon the Corporation or any of its Subsidiaries or any of their respective properties and assets and (ii) all lawful claims, whether for labor, materials, supplies, services or anything else, which have become due and payable and which by law have or may become a lien upon the property and assets of the Corporation or any of its Subsidiaries; provided, however, that neither the Corporation nor any Subsidiary shall be required to

pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which such disputed amounts the need for adequate reserves has been reviewed in accordance with GAAP.

SECTION 2.14. MAINTENANCE OF PROPERTIES AND INSURANCE. The Corporation shall cause all material properties used or useful to the conduct of its business and the business of each of its Subsidiaries to be maintained and kept in good condition, repair and working order (reasonable wear and tear excepted) and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in their reasonable judgment may be necessary, so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section 2.14 shall prevent the Corporation or any Subsidiary from discontinuing any operation or maintenance of any of such properties, or disposing of any of them, if such discontinuance or disposal is in the judgment of the Corporation, desirable in the conduct of the business of such entity.

The Corporation shall provide, or cause to be provided, for itself and each of its Subsidiaries, insurance (including appropriate self-insurance) against loss or damage of the kinds that, in the reasonable, good faith opinion of the Corporation is adequate and appropriate for the conduct of the business of the Corporation and such Subsidiaries in a prudent manner, with (except for self-insurance) reputable insurers or with the government of the United States of America or an agency or instrumentality thereof, in such amounts, with such deductibles, and by such methods as shall be customary, in the reasonable, good faith opinion of the Corporation and adequate and appropriate for the conduct of the business of the Corporation and such Subsidiaries in a prudent manner for entities similarly situated in the industry, unless failure to provide such insurance (together with all other such failures) would not have a material adverse effect on the financial condition or results of operations of the Corporation and such Subsidiaries considered as a whole.

SECTION 2.15. STAY, EXTENSION AND USURY LAWS. The Corporation covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Corporation from paying all or any portion of the principal of (premium, if any) or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture and the Corporation (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 2.16. LIMITATION ON STATUS AS INVESTMENT COMPANY. Neither the Corporation nor any of its Restricted Subsidiaries shall become an "investment company," as that term is defined in the Investment Company Act of 1940, as amended, or otherwise become subject to regulation thereunder.

ARTICLE THREE

TERMS OF THE NOTES

SECTION 3.01. TERMS OF THE NOTES. A Series of Securities in the aggregate principal amount of One Hundred Seventy-Five Million Dollars ($175,000,000) to be issued under the Original Indenture, as supplemented by this First Supplemental Indenture, is hereby created, and such Series of Securities is hereby designated the "8-7/8% Senior Subordinated Notes Due 2006". The Notes shall mature on June 1, 2006 and shall bear interest at the rate of 8-7/8% per annum from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date. Interest on the Notes shall be payable semiannually on each June 1 and December 1, commencing December 1, 1998, to the Holders of record on the Record Date.

The Notes shall be issued initially as a single Global Note, in registered form, registered in the name of The Depositary Trust Corporation, as Depository, or its nominee,, and otherwise substantially as in the form set forth in Exhibit A to this First Supplemental Indenture with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Indenture. The Global Note shall be exchangeable for definitive Notes in registered form substantially the same as the Global Note in denominations of $1,000 or any integral multiple thereof upon the terms of and in accordance with the provisions of the Indenture.

The Notes shall be payable (as to both principal and interest) when and as the same become due at the office of the Trustee located in New York City, New York, provided that, so long as the Notes are in the form of one or more Global Notes, payments of interest may be made by wire transfer in accordance with the Letter of Representations and provided further, that upon any exchange of the

Global Notes for Notes in definitive form, the Corporation elects to exercise its option to have interest payable by check mailed to the registered owners at such owners' addresses as they appear on the Register, as kept by the Trustee on each relevant Record Date.

The Record Dates for the Notes shall be May 15 and November 15 of each year.

SECTION 3.02. REDEMPTION OF THE NOTES. (a) Optional Redemption. The Notes will be redeemable at the option of the Corporation, in whole or in part, at any time on or after June 1, 2002, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest thereon, if any, to the date of redemption, if redeemed during the 12-month period beginning on June 1 of the years indicated below:

YEAR	REDEMPTION PRICE
2002.....	104.438%
2003.....	102.958%
2004.....	101.479%
2005 and thereafter.....	100.000%

(b) Optional Redemption upon Public Equity Offering. On or prior to June 1, 2001, the Corporation may, at its option, use the net proceeds of a Public Equity Offering to redeem up to 35% of the originally issued aggregate principal amount of the Notes, at a redemption price in cash equal to 108-7/8% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the date of redemption; provided, however, that at least $113,750,000 in aggregate principal amount of Notes is outstanding following such redemption. Notice of any such redemption must be given not later than 30 days after the consummation of the Public Equity Offering.

As used in the preceding paragraph, a "Public Equity Offering" means any underwritten public offering of Capital Stock (other than Redeemable Capital Stock) of the Corporation made on a primary basis by the Corporation pursuant to a registration statement filed with and declared effective by the Commission in accordance with the Securities Act.

(c) Selection and Notice. In the event that less than all of the Notes are to be redeemed at any time, selection of Notes for redemption shall be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee will deem fair and appropriate; provided, however, that no Notes of a principal amount of $1,000 or less shall be redeemed in part. Notice of redemption will be mailed by first class mail at least 30 but no more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note. On and after the Redemption Date, interest will cease to accrue on Notes or portions thereof called for redemption so long as the Corporation has deposited with the Paying Agent for the Notes funds in satisfaction of the applicable Redemption Price.

SECTION 3.03 CHANGE OF CONTROL. Following the occurrence of a Change of Control (the date of such occurrence being the "Change of Control Date"), the Corporation, within 20 Business Days following the Change of Control Date, shall make an irrevocable and unconditional offer to purchase (a "Change of Control Offer") all of the then outstanding Notes on a date (the "Change of Control Purchase Date") that is no later than 50 Business Days after the occurrence of such Change of Control at a purchase price (the "Change of Control Purchase Price") in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Change of Control Purchase Date. The Corporation shall purchase all Notes properly tendered into the Change of Control Offer and not withdrawn.

In order to effect such Change of Control Offer, the Corporation, not later than the 20/th/ business day after the Change of Control Date, shall mail to each Holder of Notes notice of the Change of Control Offer, which notice will govern the terms of the Change of Control Offer and will state, among other things, the procedures that Holders must follow to accept the Change of Control Offer. The Change of Control Offer will be kept open for a period of at least 20 business days.

On or before the Change of Control Purchase Date, the Corporation will deposit with the Trustee cash sufficient to pay the Change of Control Purchase Price (together with any accrued and unpaid interest) for all Notes to be

tendered pursuant to the Change of Control Offer. On the Change of Control Purchase Date, the Trustee shall pay the Change of Control Purchase Price to all Holders tendering their Notes for purchase.

ARTICLE FOUR

SUBORDINATION PROVISIONS APPLICABLE TO THE NOTES

SECTION 4.01. NOTES SUBORDINATE TO SENIOR INDEBTEDNESS. The Corporation covenants and agrees, and each Holder of the Notes, by such Holder's acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article Four (subject to the provisions of Article Six of this First Supplemental Indenture), the Indebtedness represented by the Notes and the payment of the principal of (and premium, if any) and interest on each and all of the Notes is hereby expressly made

subordinate and subject in right of payment to the prior payment in full in cash or Cash Equivalents of all Senior Indebtedness whether outstanding on the Issue Date or incurred thereafter.

SECTION 4.02. PAYMENT OVER OF PROCEEDS UPON DISSOLUTION, ETC. In the event of (1) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relating to the Corporation or to its creditors, as such, or to a substantial part of its assets, or (2) any liquidation, dissolution or other winding up of the Corporation, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (3) any assignment for the benefit of creditors or any other marshalling of assets or liabilities of the Corporation, then and in any such event specified in (1), (2) or (3) above (each such event, if any, herein sometimes referred to as a "Proceeding") the holders of Senior Indebtedness shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all Senior Indebtedness, or provision shall be made for such payment in cash or Cash Equivalents or otherwise in a manner satisfactory to the holders of Senior Indebtedness, before the Holders of the Notes are entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, on account of principal of (or premium, if any) or interest on the Notes or on account of any purchase or other acquisition of Notes by the Corporation or any Subsidiary of the Corporation (all such payments, distributions, purchases and acquisitions herein referred to, individually and collectively, as a "Notes Payment"), and to that end, the holders of all Senior Indebtedness shall be entitled to receive, for application to the payment thereof, any Notes Payment which may be otherwise payable or deliverable in respect of the Notes in any such Proceeding.

In the event that, notwithstanding the foregoing provisions of this Section 4.02, the Trustee or the Holder of any Note shall have received any Notes Payment before all Senior Indebtedness is paid in full or payment thereof provided for in cash or Cash Equivalents or otherwise in a manner satisfactory to the holders of Senior Indebtedness, and if such fact shall, at or prior to the time of such Notes Payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event, such Notes Payment shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of assets of the Corporation for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

For purposes of this Article Four only, the words "any payment or distribution of any kind or character, whether in cash, property or securities" shall not be deemed to include a payment or distribution of stock or securities of the Corporation provided for by a plan of reorganization or readjustment authorized by an order or decree of a court of competent jurisdiction in a reorganization proceeding under any applicable bankruptcy law or of any other corporation provided for by such plan of reorganization or readjustment, which stock or securities are subordinated in right of payment to all then outstanding Senior Indebtedness to substantially the same extent as, or to a greater extent than, the Notes are so subordinated as provided in this Article Four. The consolidation of the Corporation with, or the merger of the Corporation into, another Person or the liquidation or dissolution of the Corporation following the conveyance or transfer of all or substantially all of its properties and assets as an entirety to another Person upon the terms and conditions set forth in Section 2.12 of this First Supplemental Indenture shall not be deemed a Proceeding for the purposes of this Section 4.02 if the Person formed by such consolidation or into which the Corporation is merged or the Person which acquires by conveyance or transfer such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions set forth in such Section 2.12 of this First Supplemental Indenture.

SECTION 4.03. PRIOR PAYMENT TO SENIOR INDEBTEDNESS UPON ACCELERATION OF

NOTES. In the event that any Notes are declared due and payable before their Stated Maturity, then and in such event, the holders of the Senior Indebtedness outstanding at the time such Notes so become due and payable shall be entitled

to receive payment in full of all amounts due or to become due on or in respect of all Senior Indebtedness, or provision shall be made for such payment in cash or Cash Equivalents or otherwise in a manner satisfactory to the holders of such Senior Indebtedness, before the Holders of the Notes are entitled to receive any Notes Payment (including any payment which may be payable by reason of the payment of any other indebtedness of the Corporation being subordinated to the payment of the Notes).

In the event that, notwithstanding the foregoing, the Corporation shall make any Notes Payment to the Trustee or any Holder of Notes prohibited by the foregoing provisions of this Article Four, and if such fact shall, at or prior to the time of such Notes Payment, have been made known to the Trustee pursuant to Section 4.10 or, as the case may be, such Holder, then and in such event, such Notes Payment shall be paid over and delivered forthwith to the Corporation.

The provisions of this Section 4.03 shall not apply to any Notes Payment with respect to which Section 4.02 would be applicable.

SECTION 4.04. NO PAYMENT IN CERTAIN CIRCUMSTANCES. (a) During the continuance of any default in the payment of any Senior Indebtedness beyond any applicable grace period pursuant to which the maturity thereof may immediately be accelerated, no payment or distribution of any assets of the Corporation of any kind or character (other than capital stock of the Corporation or other securities of the Corporation that are subordinated to Senior Indebtedness to at least the same extent as the Notes) shall be made on account of the Subordinated Obligations, or the purchase, redemption or other acquisition of, the Notes unless and until such default has been cured or waived or has ceased to exist or such Senior Indebtedness shall have been discharged or paid in full.

(b) During the continuance of any non-payment default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may immediately be accelerated (a "Non-payment Default") and (x) after the receipt by the Trustee from the representatives of such Designated Senior Indebtedness of a written notice of such Non-payment Default or (y) if the Non-payment Default results from the acceleration of the Notes, from the date of such acceleration, no payment or distribution of any assets of the Corporation of any kind or character (other than capital stock of the Corporation or other securities of the Corporation that are subordinated to Senior Indebtedness to at least the same extent as the Notes) shall be made by the Corporation on account of the Subordinated Obligations, or the purchase, redemption or other acquisition of, the Notes for the period specified below (the "Payment Blockage Period").

The Payment Blockage Period will commence upon (x) the receipt of notice of a Non-payment Default by the Trustee from the representatives of holders of Designated Senior Indebtedness or (y) if the Non-payment Default results from the acceleration of the Notes, upon such acceleration, and will end on the earliest to occur of the following events: (i) 179 days shall have elapsed (A) since the receipt of such notice of Non-payment Default or (B) if the Non-payment Default results from the acceleration of the Notes, since such acceleration (in each case, provided that such Designated Senior Indebtedness shall not theretofore have been accelerated and the Corporation has not defaulted with respect to the payment of such Designated Senior Indebtedness), (ii) such default is cured or waived or ceases to exist or such Designated Senior Indebtedness is discharged or (iii) such Payment Blockage Period shall have been terminated by written notice to the Corporation or the Trustee from the representatives of Designated Senior Indebtedness initiating such Payment Blockage Period. After the end of any Payment Blockage Period, the Corporation shall promptly resume making any and all required payments in respect of the Notes, including any missed payments. Notwithstanding anything in the subordination provisions of the Indenture or the Notes to the contrary, (x) in no event shall a Payment Blockage Period extend beyond 179 days from the date such Payment Blockage Period was commenced and (y) there shall be a period of at least 186 consecutive days in each 365-day period when no Payment Blockage Period is in effect. A Non-payment Default with respect to Designated Senior Indebtedness that existed or was continuing on the date of the commencement of any

Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period cannot be made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 365 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days and subsequently recurs.

In the event that, notwithstanding the foregoing, the Corporation shall make any Notes Payment to the Trustee or any Holder of Notes prohibited by the

foregoing provisions of this Section 4.04, and if such fact shall, at or prior to the time of such Notes Payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event, such Notes Payment shall be paid over and delivered forthwith to the Corporation.

The Trustee shall give prompt written notice to the Corporation of any notice from a holder of Senior Indebtedness received by the Trustee pursuant to Section 4.10 which would prohibit the making of any payment to or by the Trustee with respect to any Notes.

The provisions of this Section 4.04 shall not apply to any Notes Payment with respect to which Section 4.02 would be applicable.

SECTION 4.05. PAYMENT PERMITTED IF NO DEFAULT. Nothing contained in this Article Four or elsewhere in the Indenture or in any of the Notes shall prevent (1) the Corporation, at any time except during the pendency of any Proceeding referred to in Section 4.02 or under the conditions described in Sections 4.03 or 4.04, from making Notes Payments, or (2) the application by the Trustee of any money deposited with it hereunder to Notes Payments or the retention of such Notes Payment by Holders of Notes, if, at the time of such application by the Trustee, it did not have knowledge that such Notes Payment would have been prohibited by the provisions of this Article Four.

SECTION 4.06. SUBROGATION TO RIGHTS OF HOLDERS OF SENIOR INDEBTEDNESS. Subject to the payment in full of all amounts due or to become due on or in respect of Senior Indebtedness, or the provision for such payment in cash or Cash Equivalents or otherwise in a manner satisfactory to the holders of Senior Indebtedness, the Holders of Notes shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Indebtedness pursuant to the provisions of this Article Four (equally and ratably with the holders of all Indebtedness of the Corporation which by its express terms is subordinated to Indebtedness of the Corporation to substantially the same extent as the Notes are subordinated and is entitled to like rights of subrogation) to the rights of the holders of such Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Senior Indebtedness until the principal of (and premium, if any) and interest on the Notes shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of the Senior Indebtedness of any cash, property or securities to which the Holders of Notes or the Trustee would be entitled except for the provisions of this Article Four, and no payments over pursuant to the provisions of this Article Four to the holders of Senior Indebtedness by Holders of Notes or the Trustee, shall, as among the Corporation, its creditors other than holders of Senior Indebtedness and the Holders of the Notes, be deemed to be a payment or distribution by the Corporation to or on account of the Senior Indebtedness.

SECTION 4.07. PROVISIONS SOLELY TO DEFINE RELATIVE RIGHTS. The provisions of this Article Four are and are intended solely for the purpose of defining the relative rights of the Holders of the Notes on the one hand and the holders of Senior Indebtedness on the other hand. Nothing contained in this Article Four or elsewhere in this First Supplemental Indenture or in the Notes is intended to or shall (1) impair, as among the Corporation, its creditors other than holders of Senior Indebtedness and the Holders of Notes, the obligation of the Corporation, which is absolute and unconditional, to pay to the Holders of Notes the principal of (and premium, if any) and interest on the Notes as and when the same shall become due and payable in accordance with the terms hereof; or (2) affect the relative rights against the Corporation of the Holders of

Notes and creditors of the Corporation other than the holders of Senior Indebtedness; or (3) prevent the Trustee or the Holder of any Note from exercising all remedies otherwise permitted by applicable law upon default under the Indenture, subject to the rights, if any, under this Article Four of the holders of Senior Indebtedness to receive cash, property and securities otherwise payable or deliverable to the Trustee or such Holder.

SECTION 4.08. TRUSTEE TO EFFECTUATE SUBORDINATION AND PAYMENT PROVISIONS. Each Holder of a Note by acceptance thereof authorizes and directs the Trustee to take such action as may be necessary or appropriate to effectuate the subordination and payment provisions provided in this Article Four and appoints the Trustee such Holder's attorney-in-fact for any and all such purposes.

SECTION 4.09. NO WAIVER OF SUBORDINATION PROVISIONS. No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Corporation or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Corporation with the terms, provisions and covenants of the Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness may, at any time and from time to time, without

the consent of or notice to the Trustee or the Holders of the Notes, without incurring responsibility to the Holders of the Notes and without impairing or releasing the subordination provided in this Article Four or the obligations hereunder of the Holders of Notes to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness, or otherwise amend or supplement in any manner Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (iii) release any Person liable in any manner for the collection of Senior Indebtedness; and (iv) exercise or refrain from exercising any rights against the Corporation and any other Person.

SECTION 4.10. NOTICE TO TRUSTEE. The Corporation shall give prompt written notice to the Trustee of any fact known to the Corporation which would prohibit the making of any payment to or by the Trustee in respect of the Notes. Notwithstanding the provisions of this Article Four or any other provision of the Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Notes, unless and until the Trustee shall have received written notice thereof from the Corporation or a holder of Senior Indebtedness or from any trustee therefor; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 7.01 of the Original Indenture, shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received the notice provided for in this Section 4.10 at least three Business Days prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of (and premium, if any) or interest on, or amounts payable upon redemption or repurchase of, any Note), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it within three Business Days prior to such date.

Subject to the provisions of Section 7.01 of the Original Indenture, the Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a trustee therefor) to establish that such notice has been given by a holder of Senior Indebtedness (or a trustee therefor). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or

distribution pursuant to this Article Four, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article Four, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 4.11. RELIANCE ON JUDICIAL ORDER OR CERTIFICATE OF LIQUIDATING AGENT. Upon any payment or distribution of assets of the Corporation referred to in this Article Four, the Trustee, subject to the provisions of Section 7.01 of the Original Indenture, and the Holders of Notes shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such Proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of Notes, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Corporation, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Four.

SECTION 4.12. TRUSTEE NOT FIDUCIARY FOR HOLDERS OF SENIOR INDEBTEDNESS. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and shall not be liable to any such holders if it shall in good faith mistakenly pay over or distribute to Holders of Notes or to the Corporation or to any other Person cash, property or securities to which any holders of Senior Indebtedness shall be entitled by virtue of this Article Four or otherwise.

SECTION 4.13. RIGHTS OF TRUSTEE AS HOLDER OF SENIOR INDEBTEDNESS; PRESERVATION OF TRUSTEE'S RIGHTS. The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article Four with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in the Indenture shall deprive the Trustee of any of its rights as such holder.

SECTION 4.14. ARTICLE APPLICABLE TO PAYING AGENTS. In case at any time

any Paying Agent other than the Trustee shall have been appointed by the Corporation and be then acting hereunder, the term "Trustee" as used in this Article Four shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article Four in addition to or in place of the Trustee.

ARTICLE FIVE

ADDITIONAL EVENTS OF DEFAULT APPLICABLE TO THE NOTES

SECTION 5.01. EVENTS OF DEFAULT APPLICABLE TO THE NOTES. The term "Event of Default" whenever used herein with respect to the Notes shall mean any of the events set forth in Section 6.01 of the Original Indenture (other than subsection (d) of said Section 6.01) and any of the following events:

(a) the Corporation fails to comply with any of its obligations set forth in Sections 2.07 , 2.12 and 3.03 of this First Supplemental Indenture; or

(b) the Corporation fails to perform or observe any other term, covenant or agreement contained in the Notes, or the Indenture (other than a default specified in subsection (a), (b) or (c) of

Section 6.01 of the Original Indenture or the foregoing subsection (a) of this Section 5.01) for a period of 30 days after written notice to comply shall have been given (a) to the Corporation by the Trustee or (b) to the Corporation and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes then outstanding; or

(c) a default or defaults under one or more agreements, indentures or instruments under which the Corporation or any Restricted Subsidiary then has Indebtedness outstanding in excess of $10 million, individually or in the aggregate, and either (a) such Indebtedness is already due and payable in full or (b) such default or defaults result in the acceleration of the maturity of such Indebtedness; or

(d) one or more judgments, orders or decrees of any court or regulatory or administrative agency for the payment of money in excess of $10 million (in excess of the coverage under applicable insurance policies (after giving effect to any deductibles) under which a financially sound and reputable insurer has not disputed coverage), individually or in the aggregate, shall have been rendered against the Corporation or any Restricted Subsidiary or any of their respective properties and shall not have been discharged, and either (a) any creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or (b) there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment, order or decree, by reason of a pending appeal or otherwise, shall not be in effect; or

(e) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of a Material Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Material Subsidiary or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, if such decree or order shall remain unstayed and in effect for a period of 60 consecutive days, or

(f) the commencement by a Material Subsidiary of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such Material Subsidiary's consent to the entry of an order for relief in any involuntary case under any such law, or its consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Material Subsidiary or for any substantial part of its property, or the making by such Material Subsidiary of any general assignment for the benefit of creditors, or its failure generally to pay its debts as they become due or the taking by such Material Subsidiary of any corporate action in furtherance of any of the foregoing.

(g) any holder of at least $10 million in aggregate principal amount of Indebtedness of the Corporation, or any Restricted Subsidiary shall (a) commence judicial proceedings to foreclose upon assets of the Corporation or any Restricted Subsidiary having a Fair Market Value, individually or in the aggregate, in excess of $10 million or (b) have exercised any right under applicable law or applicable security documents to take ownership of any such assets in lieu of foreclosure.

If an Event of Default (other than as specified in clause (g) with respect to the Corporation) shall occur and be continuing, the Trustee, by notice to the Corporation, or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by notice to the

Trustee and the Corporation (an "Acceleration Notice"), may declare the principal of, premium, if any, and accrued interest on all of the outstanding Notes due and payable immediately, upon which declaration all such amounts payable in respect of the Notes (x) will become and be immediately due and payable or (y) if there are any amounts outstanding under the Revolving Credit Facility, will become and be immediately due and payable upon the first to occur of an acceleration under the Revolving Credit Facility, or three (3) business days after receipt by the Corporation and the agent under the Revolving Credit Facility of such Acceleration Notice, unless such Event of Default has been cured or waived prior to such date. If an Event of Default specified in clause (g) above with respect to the Corporation occurs and is continuing, then the principal of, premium, if any, and accrued interest on all of the outstanding Notes will become and be immediately due and payable without any declaration or further action on the part of the Trustee or any Holder of Notes.

After a declaration of acceleration, but before judgment or decree for payment of the money due has been obtained by the Trustee, the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written Notice to the Corporation and the Trustee, may rescind such declaration if (a) the Corporation has paid or deposited with the Trustee a sum sufficient to pay (i) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Notes, (iii) the principal of and premium, if any, on any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes, and (iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes, and (b) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture.

ARTICLE SIX

DEFEASANCE PROVISIONS APPLICABLE TO THE NOTES AND DISCHARGE

SECTION 6.01. DEFEASANCE PROVISIONS OF ORIGINAL INDENTURE NOT APPLICABLE TO THE NOTES. The provisions of Sections 11.01, 11.02 and 11.03 of the Original Indenture shall not apply to the Notes.

SECTION 6.02. LEGAL DEFEASANCE OF THE NOTES. Upon deposit with the Trustee, in trust, at or before maturity, of money or securities of the kind and in the necessary amount (as provided in Section 11.04 of the Original Indenture and confirmed by a nationally recognized firm of independent public accountants) to pay or redeem Outstanding Notes (whether upon or prior to their Stated Maturity or any Redemption Date applicable thereto (provided that if the Notes are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article Three of the Original Indenture or provisions satisfactory to the Trustee shall have been made for the giving of such notice), and compliance by the Corporation with the provisions of Section 6.04 of this First Supplemental Indenture, the obligation of the Corporation duly and punctually to pay or cause to be paid the principal of and any interest and premium in respect of the Notes and all liability of the Corporation in respect of such payment shall cease, terminate and be completely discharged; provided that such discharge shall not apply to (a) the rights of the Holders of the Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due, only out of the money or securities deposited with the Trustee as aforesaid for their payment, (b) the Corporation's obligation to issue temporary Notes, register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes and maintain an office or agency for payments in

respect of the Notes, (c) the rights, powers, trusts, duties and immunities of the Trustee or (d) the requirement for the Corporation to comply with the provisions of this Article Six.

SECTION 6.03. COVENANT DEFEASANCE OF THE NOTES. Upon (a) the deposit with the Trustee, in trust, prior to maturity of money or securities of the kind and in the necessary amount (as provided in Section 11.04 of the Original Indenture and confirmed by a nationally recognized firm of independent public

accountants) to pay or redeem Outstanding Notes (whether upon or prior to their Stated Maturity or any applicable Redemption Date therefor, provided that if such Notes are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article Three of the Original Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice) and (b)compliance by the Corporation with the provisions of Section 6.04 of this First Supplemental Indenture, all of the obligations covenants and agreements of the Corporation with respect to the Notes set forth in Section 4.02, 4.04 and 4.05 of the Original Indenture and in Article Two of this First Supplemental Indenture shall cease, terminate and be completely discharged.

SECTION 6.04. ADDITIONAL CONDITIONS TO LEGAL OR COVENANT DEFEASANCE OF THE NOTES. In addition to the requirements for legal or covenant defeasance set forth in Sections 6.02 and 6.03 of this First Supplemental Indenture, the following conditions precedent shall also apply: (a) the Corporation shall have delivered to the Trustee an opinion of independent counsel in the United States to the effect that the Holders of the Outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance or covenant defeasance had not occurred (in the case of legal defeasance under Section 6.02 of this First Supplemental Indenture, such opinion must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax laws); (b) no Default shall have occurred and be continuing on the date of such deposit with respect to any of the events set forth in subsections (e) or (f) of Section 6.01 of the Original Indenture or subsections (e) or (f) of Section 5.01 of this First Supplemental Indenture at any time during the period ending on the 91st day after the date of deposit; (c) such legal defeasance or covenant defeasance shall not cause the Trustee to have a conflicting interest with respect to any securities of the Corporation; (d) such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument to which the Corporation is a party or by which it is bound; (e) such legal defeasance or covenant defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be registered under such Act or exempt from registration thereunder; (f) the Corporation shall have delivered to the Trustee an opinion of independent counsel in the United States to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (g) the Corporation shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by the Corporation with the intent of preferring the Holders of the Notes over the other creditors of the Corporation with the intent of defeating, hindering, delaying or defrauding creditors of the Corporation or others; (h) no event or condition shall exist that would prevent the Corporation from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at time ending on the 91st day after the date of such deposit; and (x) the Corporation shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent under the Indenture to either legal defeasance or covenant defeasance, as the case may be, have been complied with.

SECTION 6.05. SATISFACTION AND DISCHARGE OF FIRST SUPPLEMENTAL INDENTURE. The First Supplemental Indenture shall cease to be of further effect (except as to any surviving rights of transfer or exchange of Notes expressly provided for in the Indenture), and the Trustee, on demand of the Corporation,

shall execute proper instruments acknowledging satisfaction and discharge of this First Supplemental Indenture, when

(1) either:

(A) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in the Indenture, and (ii) Notes money for whose payment has theretofore been deposited in trust or segregated and held in trust by the Corporation and thereafter repaid to the Corporation or discharged from such trust, as provided in the Indenture) have been delivered to the Trustee canceled or for cancellation; or

(B) all such Notes not theretofore delivered to the Trustee canceled or for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year and

provision satisfactory to the Trustee for the giving of notice of redemption shall have been made,

and the Corporation, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee canceled or for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Notes which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Corporation has paid or caused to be paid all other sums payable hereunder by the Corporation; and

(3) the Corporation has delivered to the Trustee such certificates and opinions, if any, as the Trustee shall reasonably require to the effect that all conditions precedent herein provided for relating to the satisfaction and discharge of the Corporation's obligations under this First Supplemental Indenture have been complied with.

SECTION 6.06. APPLICATION OF TRUST MONEY. All money deposited with the Trustee pursuant to Section 6.05 of this First Supplemental Indenture shall be held in trust and applied by it to the payment, either directly or through any Paying Agent (including the Corporation acting as its own Paying Agent), as the Trustee may determine, to the Holders of the Notes for whose payment or redemption such money has been deposited with the Trustee, of all sums due and to become due thereon for principal (and premium, if any) and interest.

ARTICLE SEVEN

MODIFICATION AND AMENDMENT

SECTION 7.01. ADDITIONAL PURPOSES FOR WHICH SUPPLEMENTAL INDENTURES MAY BE ENTERED INTO WITHOUT CONSENT OF HOLDERS OF NOTES. Without the consent of the Holders of any Notes, the Corporation and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental

hereto (which shall comply with the provisions of the Trust Indenture Act of 1939 as then in effect) for the purposes set forth in Section 10.01 of the Original Indenture and for the purpose of securing the Notes or adding a guarantor under the Indenture, provided, however, that in the case of clause (g) of the Original Indenture, such provisions shall not adversely affect the Holders of the Notes.

SECTION 7.02. MODIFICATION OF INDENTURE WITH CONSENT OF HOLDERS OF EACH OUTSTANDING NOTE AFFECTED THEREBY. In addition to clauses (a) through (d) inclusive of Section 10.02 of the Original Indenture, no amendment or modification of the Indenture or the Notes shall, without the consent of the Holder of each outstanding Note affected thereby:

(a) alter the optional redemption or repurchase provisions of any such Note or the Indenture in a manner adverse to the Holders of the Notes;

(b) change the place of payment of principal of (or premium on) or interest on any such Note;

(c) modify any provisions of the Indenture relating to the waiver of past defaults (other than to add sections of the Indenture or the Notes subject thereto);

(d) waive a default in the payment of principal of, premium, if any, or interest on, or redemption payment with respect to, the Notes (except a rescission of acceleration of the Notes by the Holders thereof as provided in the Indenture and a waiver of the payment default that resulted from such acceleration);

(e) modify the ranking or priority of any Note; or

(f) following the occurrence of a Change of Control or Asset Sale, modify the provisions of any covenant (or the related definitions) in the Indenture requiring the Corporation to make and consummate a Change of Control Offer in respect of such Change of Control or Asset Sale Offer in respect of an Asset Sale or modify any of the provisions or definitions with respect thereto in a manner materially adverse to the Holders of each outstanding Note affected thereby.

ARTICLE EIGHT

MISCELLANEOUS PROVISIONS

SECTION 8.01. PROVISIONS OF THE ORIGINAL INDENTURE. Except insofar as herein otherwise expressly provided, all the definitions, provisions, terms and conditions of the Original Indenture shall be deemed to be incorporated in and made a part of this First Supplemental Indenture; and the Original Indenture, as amended and supplemented by this First Supplemental Indenture, is in all respects ratified and confirmed, and the Original Indenture and this First Supplemental Indenture shall be read, taken and considered as one and the same instrument for all purposes and every Holder of the Notes authenticated and delivered under the Indenture shall be bound hereby; provided, however, that to the extent terms or provisions of this First Supplemental Indenture conflict with or are inconsistent with terms or provisions in the Original Indenture, the terms and provisions of this First Supplemental Indenture shall govern.

SECTION 8.02. LIMITATION OF SUITS BY HOLDERS OF NOTES. No Holder of any Notes shall have any right by virtue of any provision of the Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of a

continuing Event of Default as provided in the Indenture, and unless also the Holders of not less that 25% in principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby (including the reasonable fees of counsel for the Trustee), and the Trustee, for 15 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to this Section 8.02; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the Holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities. For the protection and enforcement of the provisions of this Section 8.02, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 8.03. SEPARABILITY OF INVALID PROVISIONS. In case any one or more of the provisions contained in this First Supplemental Indenture should be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions contained in this First Supplemental Indenture, and to the extent and only to the extent that any such provision is invalid, illegal or unenforceable, this First Supplemental Indenture shall be construed as if such provision had never been contained herein.

SECTION 8.04. EXECUTION IN COUNTERPARTS. This First Supplemental Indenture may be simultaneously executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, CB RICHARD ELLIS SERVICES, INC. has caused this First Supplemental Indenture to be signed by its Chairman of the Board or one of its Vice Presidents and STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, NATIONAL ASSOCIATION has caused this Indenture to be signed by one of its Vice Presidents and one of its Assistant Secretaries.

CB RICHARD ELLIS SERVICES, INC.

By _____

STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, NATIONAL ASSOCIATION, as Trustee

By _____

By _____

EXHIBIT A

$_____ R-_____

CUSIP No. _____

CB RICHARD ELLIS SERVICES, INC.
8 7/8% SENIOR SUBORDINATED NOTE DUE 2006

[UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), TO CB RICHARD ELLIS SERVICES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]*

[UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY NOMINEE OF DTC TO A SUCCESSOR DEPOSITARY OR ANY NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]*

CB RICHARD ELLIS SERVICES, INC. (herein referred to as "CB Richard Ellis"), a corporation duly organized and existing under the laws of the State of Delaware, for value received, hereby promises to pay to _____, or registered assigns, the principal sum of $_____ on June 1, 2006, in lawful money of the United States of America and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon in like money from _____**, 1998 OR FROM THE MOST RECENT INTEREST PAYMENT DATE (HEREINAFTER DEFINED) TO WHICH INTEREST HAS BEEN PAID OR DULY PROVIDED FOR UNTIL PAYMENT OF SUCH PRINCIPAL SUM, AT THE RATE OF 8 7/8% PER ANNUM, PAYABLE ON EACH JUNE 1 AND DECEMBER 1, COMMENCING DECEMBER 1, 1998 (THE "INTEREST PAYMENT DATES").

THE PRINCIPAL HEREOF IS PAYABLE UPON PRESENTATION AND SURRENDER OF THIS NOTE AT THE OFFICE OF STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, NATIONAL ASSOCIATION, AS TRUSTEE (HEREIN CALLED THE "TRUSTEE") IN NEW YORK CITY, NEW YORK. INTEREST ON THIS NOTE MAY BE PAYABLE BY CHECK OR DRAFT MAILED TO THE PERSON IN WHOSE NAME THIS NOTE IS REGISTERED AT THE CLOSE OF BUSINESS OF THE RECORD DATE FOR SUCH INTEREST PAYMENT AT SUCH PERSON'S ADDRESS AS IT APPEARS ON THE REGISTRATION BOOKS OF THE TRUSTEE. THE RECORD DATES FOR THE NOTES ARE MAY 15 AND NOVEMBER 15, RESPECTIVELY.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH AT THIS PLACE.

_____

* To be included only if this Note is issued as a Global Note.

** Insert Date of Issuance

THIS NOTE SHALL NOT BE ENTITLED TO ANY BENEFIT UNDER THE INDENTURE (HEREINAFTER DEFINED), OR BECOME VALID OR OBLIGATORY FOR ANY PURPOSE, UNTIL THE CERTIFICATE OF AUTHENTICATION HEREON ENDORSED SHALL HAVE BEEN EXECUTED BY MANUAL SIGNATURE BY THE TRUSTEE.

IN WITNESS WHEREOF, CB RICHARD ELLIS SERVICES, INC. HAS CAUSED THIS NOTE TO BE SIGNED BY ONE OF ITS SENIOR EXECUTIVE VICE PRESIDENTS MANUALLY OR IN FACSIMILE AND ITS CORPORATE SEAL TO BE IMPRINTED HEREON AND ATTESTED BY THE MANUAL OR FACSIMILE SIGNATURE OF ITS SECRETARY OR AN ASSISTANT SECRETARY.

CB RICHARD ELLIS SERVICES, INC.

BY: _____

ATTEST: _____
ASSISTANT SECRETARY

DATED: MAY 26, 1998

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THIS IS ONE OF THE SECURITIES, OF THE SERIES DESIGNATED HEREIN, DESCRIBED IN THE WITHIN-MENTIONED INDENTURE.

STATE STREET BANK AND TRUST COMPANY OF

CALIFORNIA, NATIONAL ASSOCIATION, AS TRUSTEE

BY: _____
AUTHORIZED OFFICER

(REVERSE OF NOTE)
CB RICHARD ELLIS SERVICES, INC.
8 7/8% SENIOR SUBORDINATED NOTE DUE 2006

This Note is one of a duly authorized issue of securities of CB Richard Ellis, not limited in aggregate principal amount, all issued or to be issued in one or more series of varying dates, numbers, interest rates and other provisions, under an Indenture dated as of May 26, 1998, as amended by the First Supplemental Indenture dated as of May 26, 1998, (such Indenture as so amended being herein referred to as the "Indenture"), each being between CB Richard Ellis and the Trustee. Capitalized terms used and not otherwise defined herein have the meaning set forth in the Indenture. This Note is one of a series of Notes designated as its "8 7/8% Senior Subordinated Notes Due 2006" aggregating $175,000,000 in principal amount (herein called the "Notes").

Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights, obligations, duties and immunities thereunder of CB Richard Ellis, the Trustee and the Holders of the Notes, to all of the provisions of which Indenture the registered owner of this Note, by acceptance hereof, assents and agrees. The Indenture contains provisions permitting CB Richard Ellis and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities (which term is defined in the Indenture as any security or securities of CB Richard Ellis, authenticated and delivered under the Indenture) at the time Outstanding and affected by such supplemental indenture (voting as one class), to execute one or more supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of such Securities; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security (including the Notes) affected thereby: (1) change the fixed maturity or redemption date of any Note, or reduce the rate of interest on any Note or the method of determining such rate of interest or extend the time of payment of interest, or reduce the principal amount thereof, or reduce any premium payable on the redemption thereof, or change the coin or currency in which the Notes or the interest thereon is payable or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof (or, in the case of redemption, on or after the redemption date), (2) reduce the aforesaid percentage of Holders of the Outstanding Securities whose consent is required for the execution of such supplemental indenture, or the consent of the Holders of which is required for any waiver provided for in the Indenture, (3) change the time of payment or reduce the amount of any minimum sinking account or fund payment or (4) modify any provisions of the Indenture relating to the amendment thereof or the creation of a supplemental indenture (except to increase the rights of the Holders). It is also provided in the Indenture that the Holders of a majority in principal amount of the Notes may waive any past Event of Default with respect to the Notes and its consequences, except a continuing default in the payment of the principal of or interest on the Notes or in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the registered owner of each Note so affected. In addition, the First Supplemental Indenture provides that no modification or amendment of the Indenture or the Notes may be made without the consent of the Holder of each Outstanding Note affected thereby to (a) alter the optional redemption or repurchase provisions of any such Note or the Indenture in a manner adverse to the Holders of the Notes, (b) change the place of payment of principal of (or premium on) or interest on any such Note;, (c) modify any provision of the Indenture relating to the waiver of past defaults (other than to add sections of the Indenture or the Notes subject thereto), (d) waive a default in the payment of the principal of, premium, if any, or interest on, or redemption payment with respect to, the Notes (except a rescission or acceleration of the Notes by the Holders thereof as provided in the Indenture and a waiver of a payment default that resulted from such acceleration), (e) modify the ranking or priority of any Note or (f) following the occurrence of a Change of Control or Asset Sale, modify the provisions of any covenant (or the related definitions) in the Indenture requiring the Corporation to make and consummate a Change of Control Offer in respect of such Change of

Control or Asset Sale Offer in respect of an Asset Sale or modify any of the provisions or definitions with respect thereto in a manner materially adverse to the Holders of each outstanding Note affected thereby.

The Notes will be redeemable, at the option of CB Richard Ellis, in whole or in part, at any time on or after June 1, 2002, at the redemption prices (expressed as a percentage of principal amount) set forth herein, together with accrued and

unpaid interest thereon, if any, to the date of redemption, if redeemed during the 12-month period beginning on June 1 of the years below:

Year	Percentage Price
2002.....	104.438%
2003.....	102.958%
2004.....	101.479%
2005 and thereafter...	100.000%

On or prior to June 1, 2001, CB Richard Ellis may redeem, at any time or from time to time, up to 35% of the aggregate principal amount of the Notes originally issued at a redemption price equal to 108 7/8% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the date of redemption, with the net cash proceeds of one or more Public Equity Offerings, provided, however, that at least $113,750,000 in aggregate principal amount of Notes remains outstanding immediately after giving effect to each such redemption.

Notice of redemption will be mailed at least 30 days but not more than 60 days prior to the redemption date to each registered owner of Notes to be redeemed at its registered address. Notes which are called for redemption (unless CB Richard Ellis shall default in the payment thereof) shall cease to be entitled to the benefits of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

The indebtedness evidenced by the Notes is, to the extent and in the manner provided in the Indenture, expressly subordinate in right of payment to the prior payment in full of the Senior Indebtedness, whether outstanding on the date of the Indenture or thereafter incurred, and this Note is issued subject to the provisions of the Indenture with respect to such subordination. The Corporation agrees, and each Holder of a Note by accepting a Note agrees, to the subordination and authorizes the Trustee to give it effect.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Notes and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the Holders of a majority in aggregate principal amount of the Notes then Outstanding.

The Notes are issuable in registered form in denominations of $1,000 and any integral multiple thereof. Notes may be exchanged for a like aggregate amount of Notes of other authorized denominations as provided in the Indenture. This Note is transferable at the office of the Trustee in New York, New York by the registered owner hereof in person, or by such registered owner's attorney duly authorized in writing, on the books of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Note or Notes of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

CB Richard Ellis, the Trustee and any agent of CB Richard Ellis or the Trustee may treat the registered owner hereof as the absolute owner of this Note for the purpose of receiving payment as herein provided and for all other purposes, and none of CB Richard Ellis, the Trustee or any such agent shall be affected by notice to the contrary.

THIS NOTE, THE INDENTURE AND THE OBLIGATIONS OF CB RICHARD ELLIS IN RESPECT HEREOF AND THEREOF ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

No recourse shall be had for the payment of the principal of or the interest on this Note or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future of CB Richard Ellis or of any successor thereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common
TEN ENT --as tenants by the entireties
JT TEN --as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT--_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____
Please print or typewrite name and address including postal zip code of assignee

_____

_____
the within Note and all rights thereunder, hereby irrevocably

constituting and appointing _____
attorney to transfer said Note on the books of CB Richard Ellis, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.

Exhibit 4.9

EXECUTION COPY

$229,000,000

BLUM CB Corp.

11 1/4% Senior Subordinated Notes Due 2011

PURCHASE AGREEMENT

May 31, 2001

CREDIT SUISSE FIRST BOSTON CORPORATION
CREDIT LYONNAIS SECURITIES (USA) INC.
HSBC SECURITIES (USA) INC.
SCOTIA CAPITAL (USA) INC.
C/O CREDIT SUISSE FIRST BOSTON CORPORATION
Eleven Madison Avenue,
New York, N.Y. 10010-3629

Dear Sirs:

1. Introductory. BLUM CB Corp., a Delaware corporation (the "Issuer"), which is a wholly owned subsidiary of CBRE Holding, Inc. ("Holdings"), a Delaware corporation, proposes, subject to the terms and conditions stated herein, to issue and sell to Credit Suisse First Boston Corporation ("CSFBC"), Credit Lyonnais Securities (USA) Inc., HSBC Securities (USA) Inc. and Scotia Capital (USA) Inc. (the "Initial Purchasers") $229,000,000 aggregate principal amount of its 11 1/4% Senior Subordinated Notes Due 2011 (the "Notes"). The Notes will be unconditionally guaranteed on a senior subordinated basis by Holdings (the "Parent Guaranty"; the Parent Guaranty, together with the Notes, the "Offered Securities"). The Offered Securities are to be issued pursuant to an indenture (the "Indenture") to be dated as of June 7, 2001 (the "Closing Date"), between the Issuer, Holdings and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"). As part of the transactions (the "Transactions") as defined in the "Description of the Notes" and as described under the heading "The Transactions" in the Offering Document (as defined herein), the Issuer will merge with and into CB Richard Ellis Services, Inc., a Delaware corporation (the "Company"), with the Company as the surviving corporation in such merger (the "Merger"). As a result of the Merger, all of the Issuer's obligations under the Notes, the Indenture, the Registration Rights Agreement and the Escrow Agreement (as each term is defined herein) will, by operation of law, become obligations of the Company. Concurrently with the consummation of the Merger, (1) the Company and the Subsidiary Guarantors (as defined herein) will execute counterparts to this Agreement and the Registration Rights

Agreement, which will cause the obligations of the Issuer under this Agreement and the Registration Rights Agreement which survive past the closing date of the Merger to be contractually assumed by the Company and the Subsidiary Guarantors, (2) the Company will enter into a supplemental indenture relating to the Indenture (the "Supplemental Indenture"), which Supplemental Indenture will cause the obligations of the Issuer under the Indenture to be assumed by the Company, (3) the Company will enter into a credit agreement (together with the related guaranties and security documents, the "Credit Agreement") among itself, the guarantors named therein, Credit Suisse First Boston, New York branch, as administrative agent, and the lenders named therein and (4) each subsidiary of the Company that is a guarantor under the Credit Agreement (the "Subsidiary Guarantors") will guarantee the Notes on an unconditional senior subordinated basis pursuant to the terms of the Supplemental Indenture (the "Subsidiary Guaranties"; after the consummation of the Merger, the Subsidiary Guaranties, the Notes and the Parent Guaranty are collectively referred to as the "Offered Securities").

If the Closing Date occurs prior to the consummation of the Merger, the Issuer will, on the Closing Date, deposit with State Street Bank and Trust Company of California, N.A. (the "Escrow Agent") the gross proceeds of the offering of the Offered Securities, together with an amount of cash or treasury securities (the "Escrowed Funds") so that the amount in escrow will be sufficient to pay the special mandatory redemption price for the Offered Securities, when and if due. In the event that the Merger and the other Transactions are not consummated on or prior to the 75th day after the closing of this offering or the Merger Agreement is terminated at any time prior thereto, the Issuer will redeem the Offered Securities at a redemption price equal to 100% of the accreted value of the Offered Securities, plus accrued and unpaid interest to the date of redemption. If the Merger and the other

Transactions are consummated on or prior to the 75th day after the closing of this offering, the Escrowed Funds will be released to the Issuer in connection with the closing of the Merger.

This Agreement (including the counterparts to be executed concurrently with the consummation of the Merger), the Indenture, the Supplemental Indenture, the Offered Securities, the Exchange Securities (as defined in the Registration Rights Agreement), the Registration Rights Agreement (including the counterparts to be executed concurrently with the consummation of the Merger) and the Escrow Agreement are sometimes referred to in this Agreement collectively as the "Operative Documents". All material agreements and instruments relating to the Transactions (including, but not limited to, the Merger Agreement and the Credit Agreement), are sometimes referred to in this Agreement collectively as the "Transaction Agreements". The Operative Documents and the Transactions Agreements are sometimes referred to in this Agreement collectively as the "Transaction Documents". References in this Agreement to the subsidiaries of the Company shall include all direct and indirect subsidiaries of the Company after the consummation of the Merger.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Offering Document (as defined below).

The Issuer and Holdings hereby agree with the Initial Purchasers as follows:

2. Representations and Warranties of the Issuer. The Issuer and Holdings represent and warrant to, and agree with, the Initial Purchasers that:

(a) A preliminary offering circular dated May 23, 2001 and an offering circular dated the date of this Agreement relating to the Offered Securities to be purchased by the Initial Purchasers have been prepared by the Issuer. Such preliminary offering circular (the "Preliminary Offering Circular") and offering circular, as the same may be supplemented prior to the closing of the offering (the "Offering Circular"), are hereinafter collectively referred to as the "Offering Document". On the date of this Agreement, the Offering Document does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements or omissions from the Offering Document based upon written information furnished to the Company by any Initial Purchaser through CSFBC specifically for use therein, it being understood and agreed that the only such information is that described in Section 7(b) hereof.

(b) Each of the Issuer, Holdings and the Company has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own its properties and conduct its business as described in the Offering Document, and each of the Issuer, Holdings and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not have a material adverse effect on the business, financial condition or results of operation of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect").

(c) Each subsidiary of the Company has been duly incorporated and is an existing corporation, limited liability company or limited partnership, as the case may be, in good standing (if applicable) under the laws of the jurisdiction of its incorporation or organization, with corporate power and authority to own its properties and conduct its business as described in the Offering Document, and each subsidiary of the Company is duly qualified to do business as a foreign corporation, limited liability company or limited partnership, as the case may be, in good standing (if applicable) in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not have a Material Adverse Effect; all of the issued and outstanding capital stock, ownership interests, or partnership interests, as the case may be, of each subsidiary of the Company has been, and immediately following the Merger will be, duly authorized and validly issued and, in the case of capital stock, is fully paid and nonassessable; and except as disclosed in the Offering Document and for pledges in favor of Credit Suisse First Boston, New York branch, as collateral agent under the Credit Agreement, the capital stock, ownership interests, or partnership interests, as the case may be, of the Company and each subsidiary owned by the Company, directly or through subsidiaries, will be owned free from liens, encumbrances and defects immediately following the Merger and the other Transactions.

(d) On the Closing Date, the Indenture will be duly authorized by the Issuer and Holdings, and the Supplemental Indenture will be duly

authorized by the Company and the Subsidiary Guarantors upon consummation of the Merger; on the Closing Date, the Offered Securities will be duly authorized by the Issuer and Holdings, and the Subsidiary Guaranties will be duly authorized by the Subsidiary Guarantors upon consummation of the Merger; and when the Offered Securities are delivered and paid for pursuant to this Agreement and the Indenture on the Closing Date (as defined below), assuming due authorization, execution and delivery of the Indenture by the Trustee, the Indenture will have been duly executed and delivered by the Issuer and Holdings, such Offered Securities will have been duly executed, authenticated, issued and delivered by the Issuer and Holdings (assuming authentication by the Trustee in accordance with the provisions of the Indenture) and will conform in all material respects to the description thereof contained in the Offering Document and the Indenture and such Offered Securities will constitute valid and legally binding obligations of the Issuer and Holdings and, upon execution of the Supplemental Indenture, the Company and the Subsidiary Guarantors, enforceable in accordance with their terms and entitled to the benefits of the Indenture or the Supplemental Indenture, as the case may be (assuming that the Indenture and the Supplemental Indenture are valid and legally binding obligations of the Trustee),

subject to (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights, (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) and (iii) an implied covenant of good faith and fair dealing.

(e) On the Closing Date, the Exchange Securities will have been duly authorized by the Issuer and Holdings, and upon consummation of the Merger, the Exchange Securities will be duly authorized by the Company and the Subsidiary Guarantors. When the Exchange Securities are issued, executed and authenticated in accordance with the terms of the Exchange Offer and the Indenture, the Exchange Securities (assuming authentication by the Trustee in accordance with the provisions of the Indenture) will be entitled to the benefits of the Indenture and will be the valid and binding obligations of the Company, Holdings and the Subsidiary Guarantors, enforceable against the Company, Holdings and the Subsidiary Guarantors in accordance with their terms (assuming that the Indenture and the Supplemental Indenture are valid and legally binding obligations of the Trustee), subject to (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability affecting creditors' rights and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(f) On the Closing Date, the Indenture will conform in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "TIA" or the "Trust Indenture Act"), and the rules and regulations of the Securities and Exchange Commission (the "Commission") applicable to an indenture which is qualified thereunder.

(g) Except as disclosed in the Offering Document, there are no contracts, agreements or understandings between the Issuer, Holdings or the Company and any person that would give rise to a valid claim against the Issuer, Holdings, the Company or any Initial Purchaser for a brokerage commission, finder's fee or other like payment in connection with the Offered Securities.

(h) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement, the Registration Rights Agreement dated the date hereof, between the Issuer, Holdings and the Initial Purchasers (the "Registration Rights Agreement"), or any other Transaction Document, in each case, in connection with the consummation of the transactions contemplated therein, except as may be required under the Securities Act, the TIA and the rules and regulations of the Commission thereunder with respect to the Exchange Offer Registration Statement or the Shelf Registration Statement (each as defined in the Registration Rights Agreement) or the transactions contemplated by the Registration Rights Agreement, or any state or foreign securities laws or by the regulations of the National Association of Securities Dealers, Inc.

(i) Assuming the accuracy of the representations of the other parties thereto and the performance by those parties of their agreements therein, the execution, delivery and performance by each of the Issuer, Holdings, the Company and the subsidiaries of the Company (to the extent a party thereto) of each of the Transaction Documents and their compliance with the terms and provisions thereof and the consummation of the Transactions will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, that has jurisdiction over the Issuer, Holdings, the

Company, or any of the Company's subsidiaries or any of their properties, (ii) the Transaction Documents or any agreement or instrument to which the Issuer, Holdings, the Company or any of the Company's subsidiaries is a party or by which the Issuer, Holdings, the Company or any of the Company's subsidiaries is bound or to which any of the properties of the Issuer, Holdings, the Company or the Company's subsidiaries is subject or (iii) the charter, by-laws

or similar governing documents of the Issuer, Holdings, the Company or any of the Company's subsidiaries, except, with respect to clauses (i) and (ii), where such breach, violation or default would not have a Material Adverse Effect or would not have a material adverse effect on the business, financial condition or results of operation of the Issuer or Holdings or the Company or its subsidiaries, taken as a whole; the Issuer has full corporate power and authority to authorize, issue and sell the Notes as contemplated by this Agreement.

(j) None of the Issuer, Holdings, the Company or any of the subsidiaries of the Company is in breach or violation of any of the terms and provisions of, or in default under, (i) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, that has jurisdiction over the Issuer, Holdings, the Company, or any of the Company's subsidiaries or any of their properties, (ii) any agreement or instrument to which the Issuer, Holdings, the Company or any of the Company's subsidiaries is a party or by which the Issuer, Holdings, the Company or any of the Company's subsidiaries is bound or to which any of the properties of the Issuer, Holdings, the Company or the Company's subsidiaries is subject or (iii) the charter, by-laws or similar governing document of the Issuer, Holdings, the Company or any of the Company's subsidiaries, except with respect to clauses (i) and (ii) for any breaches, violations or defaults that would not have a Material Adverse Effect or would not have a material adverse effect on the business, financial condition or results of operation of the Issuer or Holdings or the Company or its subsidiaries, taken as a whole.

(k) This Agreement has been duly authorized, executed and delivered by the Issuer and Holdings. Each of the other Operative Documents has been, or as of the Closing Date will have been, duly authorized, executed and delivered by the Issuer and Holdings (to the extent a party thereto), and immediately upon consummation of the Merger will be duly authorized, executed and delivered by each of Holdings, the Company and the Subsidiary Guarantors (to the extent a party thereto). All of the Transaction Agreements have been or will be as of or on the Merger closing date, duly authorized, executed and delivered by each of Holdings, the Company and the Company's subsidiaries (to the extent a party thereto). Each Transaction Document conforms or will conform in all material respects to the descriptions thereof contained in the Offering Document and each Operative Document (other than this Agreement) is or will constitute valid and legally binding obligations of the Issuer and Holdings (to the extent a party thereto) and each Transaction Agreement constitutes or will constitute valid and legally binding obligations of Holdings, the Company and each Subsidiary Guarantor (to the extent a party thereto), enforceable in accordance with its respective terms, except that any rights to indemnity and contribution may be limited by federal and state securities laws and public policy considerations and subject to (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights, (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) and (iii) an implied covenant of good faith and fair dealing.

(l) Except as disclosed in the Offering Document, the Company and its subsidiaries have, or following consummation of the Merger will have, good and marketable title to all real properties and all other properties and assets owned by them that are material to the Company and its subsidiaries taken as a whole, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or proposed to be made thereof by them; and except as disclosed in the Offering Document, the Company and its subsidiaries hold any leased real or personal property that is material to the Company and its subsidiaries taken as a whole under valid and enforceable leases with no exceptions that would materially interfere with the use made or proposed to be made thereof by them.

(m) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now

operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its

subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(n) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Issuer or Holdings, is imminent that would reasonably be expected to have a Material Adverse Effect.

(o) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(p) Except as disclosed in the Offering Document, neither the Company nor any of its subsidiaries is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and neither the Issuer nor Holdings is aware of any pending investigation which might lead to such a claim.

(q) Except as disclosed in the Offering Document, there are no pending actions, suits or proceedings against or affecting the Issuer, Holdings or the Company, any of the Company's subsidiaries or any of their respective properties that (i) if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, (ii) would materially and adversely affect the ability of the Issuer, Holdings or the Company to perform its obligations under the Transaction Documents or (iii) are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are, to the knowledge of the Issuer or Holdings, threatened or contemplated.

(r) The historical financial statements included in the Offering Document present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis and the assumptions used in preparing the pro forma financial statements included in the Offering Document provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(s) To our knowledge, no "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act (i) has imposed (or has informed the Issuer, Holdings, the Company or any of the Subsidiary Guarantors that it is considering imposing) any condition (financial or otherwise) on the Issuer's, Holding's, the Company's or any Subsidiary Guarantor's retaining any rating assigned to the Issuer, Holdings, the Company or any

Subsidiary Guarantor, any securities of the Issuer, Holdings, the Company or any Subsidiary Guarantor or (ii) has indicated to the Issuer, Holdings, the Company or any Subsidiary Guarantor that it is considering (a) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (b) any change in the outlook for any rating of the Issuer, Holdings, the Company, any Subsidiary Guarantor or any securities of the Issuer, Holdings, the Company or any Subsidiary Guarantor.

(t) Except as disclosed in the Offering Document, since the date of the latest audited financial statements of the Company included in the Offering Document, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed

in or contemplated by the Offering Document, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(u) None of the Issuer, Holdings, the Company or any Subsidiary Guarantor is, and following the consummation of the Merger none of them will be, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act of 1940 (the "Investment Company Act"); and none of the Issuer, Holdings, the Company or any Subsidiary Guarantor is and, after giving effect to the offering and sale of the Offered Securities, the Merger, the other Transactions and the application of the proceeds thereof as described in the Offering Document, none of them will be an "investment company" as defined in the Investment Company Act.

(v) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Offered Securities are listed on any national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 ("Exchange Act") or quoted in a U.S. automated inter-dealer quotation system.

(w) Assuming the accuracy of the representations and the performance of the Initial Purchasers of their agreements contained herein, the offer and sale of the Offered Securities in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act by reason of Section 4(2) thereof and Regulation S thereunder.

(x) None of the Issuer, Holdings, the Company, nor any of their respective affiliates, nor any person acting on its or their behalf (i) has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Regulation S under the Securities Act) the Offered Securities or any security of the same class or series as the Offered Securities or (ii) has offered or will offer or sell the Offered Securities (A) in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act or (B) with respect to any such securities sold in reliance on Rule 903 of Regulation S ("Regulation S") under the Securities Act, by means of any directed selling efforts within the meaning of Rule 902(c) of Regulation S. The Issuer, Holdings, the Company, their affiliates and any person acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. None of the Issuer, Holdings, the Company or any of the Company's subsidiaries has entered or will enter into any contractual arrangement with respect to the distribution of the Offered Securities except for this Agreement.

(y) Each of the Preliminary Offering Circular and the Offering Circular, as of its date, contains all the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

3. Purchase, Sale and Delivery of Offered Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Issuer agrees to sell to the Initial Purchasers, and the Initial Purchasers agree to purchase from the Issuer, at a purchase price of 95.57% of the principal amount thereof plus accrued interest, if any, from June 7, 2001 to the Closing Date (as hereinafter defined) $229,000,000 in aggregate principal amount of Notes.

The Issuer will deliver against payment of the purchase price the Offered Securities in the form of one or more permanent global securities in definitive form (the "Global Securities") deposited with the Trustee as custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent Global Securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Offering Document. Payment for the Offered Securities shall be made by the Initial Purchasers in Federal (same day) funds by official check or checks or wire transfer to an account at a bank acceptable to CSFBC drawn to the order of BLUM CB Corp. at the office of Cravath, Swaine & Moore at 9:00 A.M. (New York time), on June 7, 2001, or at such other time not later than seven full business days thereafter as CSFBC and the Issuer determine, such time being herein referred to as the "Closing Date", against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Offered Securities. The Global Securities will be made available for checking at the office of Cravath, Swaine & Moore at least 24 hours prior to the Closing Date.

4. Representations by Initial Purchasers; Resale by Initial Purchasers.

(a) Each of the Initial Purchasers and its selling affiliates represents and warrants to the Issuer, Holdings, the Company and each Subsidiary Guarantor that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

(b) Each Initial Purchaser severally acknowledges that the Offered Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Initial Purchaser represents and agrees that it has offered and sold the Offered Securities, and will offer and sell the Offered Securities, only in accordance with Rule 903 or Rule 144A under the Securities Act ("Rule 144A"). Accordingly, none of the Initial Purchasers or their affiliates, or any persons acting on their behalf, has engaged or will engage in any directed selling efforts with respect to the Offered Securities, and the Initial Purchasers, their affiliates and all persons acting on their behalf have complied and will comply with the offering restrictions requirement of Regulation S and Rule 144A.

(c) Each Initial Purchaser agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities except with the prior written consent of the Issuer.

(d) Each Initial Purchaser agrees that it and each of its affiliates will not offer or sell the Offered Securities in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. Each Initial Purchaser agrees, with respect to resales made in reliance on Rule 144A of any of the Offered Securities, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Offered Securities has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(e) Each Initial Purchaser represents and agrees that (i) it has not offered or sold and prior to the date six months after the date of issue of the Offered Securities will not offer or sell any Offered Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Offered Securities in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Offered Securities to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

(f) Each Initial Purchaser agrees that it will not offer, sell or deliver any of the Offered Securities in any jurisdiction outside of the United States except under circumstances that will result in compliance with the applicable laws thereof.

5. Certain Agreements of the Issuer and Holdings. The Issuer and Holdings agree with the Initial Purchasers that:

(a) The Issuer will advise CSFBC promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without CSFBC's consent, which consent shall not be unreasonably withheld or delayed. If, at any time prior to the completion of the resale of the Offered Securities by any Initial Purchaser, any event occurs as a result of which the Offering Document as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer promptly will notify CSFBC of such event and promptly will prepare, at its own expense, an amendment or supplement which will correct such statement or omission. Neither the CSFBC'S consent to, nor its delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(b) The Issuer will furnish to the CSFBC copies of any Offering Document and all amendments and supplements to any such document, in each case as soon as available and in such quantities as CSFBC reasonably requests, and the Issuer will furnish to CSFBC on the date hereof three

copies of the Offering Circular signed by a duly authorized officer of the Company, one of which will include the independent accountants' reports therein manually signed by such independent accountants. At any time when the Issuer is not subject to Section 13 or 15(d) of the Exchange Act, the Issuer will promptly furnish or cause to be furnished to CSFBC and, upon request of holders and prospective purchasers of the Offered Securities, to such holders and purchasers, copies of the additional information required to be delivered to holders and prospective purchasers of the Offered Securities pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Offered Securities (the "Additional Issuer Information"). The Issuer will pay the expenses of printing and distributing to the Initial Purchasers all such documents.

(c) The Issuer will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States and Canada as CSFBC designates and will continue such qualifications in effect so long as required for the resale of the Offered Securities by the Initial Purchasers; provided, however, that the

Issuer will not be required to qualify as a foreign corporation or to file a general consent to service of process or to subject itself to taxation in respect of doing business in any such state or province where it is not then required to be so qualified or subject to taxation.

(d) During the period of three years hereafter, the Issuer or the Company will furnish to CSFBC, and upon request, to each of the other Initial Purchasers, as soon as practicable after the end of each fiscal year, a copy of its annual report to shareholders for such year; and the Issuer or the Company will furnish to the CSFBC, and upon request, to each of the other Initial Purchasers as soon as available, a copy of each report and any definitive proxy statement of it filed with the Commission under the Exchange Act or mailed to holders of Offered Securities or of any securities of the Issuer or the Company which have been registered under Section 12 of the Exchange Act.

(e) During the period of two years after the Closing Date, the Issuer will, upon request, furnish to CSFBC, and upon request, furnish to any holder of Offered Securities, a copy of the restrictions on transfer applicable to the Offered Securities.

(f) During the period of two years after the Closing Date, none of the Issuer, Holdings, the Company or any of the Subsidiary Guarantors will, and none of them will permit any of their affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Offered Securities that have been reacquired by any of them.

(g) During the period of two years after the Closing Date, none of the Issuer, Holdings, the Company or any of the Subsidiary Guarantors will become, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

(h) The Issuer or Holdings will pay all expenses incidental to the performance of the obligations of the Issuer, Holdings, the Company and the Company's subsidiaries under this Agreement (including the counterparts to be executed concurrently with the consummation of the Merger), the Indenture, the Supplemental Indenture, the Registration Rights Agreement (including the counterparts to be executed concurrently with the consummation of the Merger) and the other Transaction Documents, including (i) the fees and expenses of counsel and accountant for the Issuer, Holdings, the Company and the Subsidiary Guarantors and of the Trustee and its professional advisers; (ii) all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Securities and, as applicable, the Exchange Securities, and the printing of the Offering Document and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Offered Securities and as applicable, the Exchange Securities; (iii) the cost of listing the Offered Securities and qualifying the Offered Securities for trading in The Portal/SM/ Market ("PORTAL") and any expenses incidental thereto; (iv) the cost of any advertising approved by the Issuer in connection with the issue of the Offered Securities; (v) for any expenses (including reasonable fees and disbursements of counsel to the Initial Purchasers) incurred in connection with qualification of the Offered Securities or the Exchange Securities for sale under the laws of such jurisdictions as CSFBC designates and the printing of memoranda relating thereto (such expenses not to exceed $15,000); (vi) for any fees charged by investment rating agencies for the rating of the Offered Securities or the Exchange Securities; and (vii) for expenses incurred in printing and distributing any Offering Document (including any amendments and supplements thereto) to or at the direction of the Initial Purchasers.

Each party will pay its own expenses in connection with attending or hosting meetings with prospective purchasers of the Offered Securities from the Initial Purchasers, including the costs attributable to the use of a private airplane to attend such meetings to the extent one is so used.

(i) In connection with the offering, until CSFBC shall have notified the Issuer of the completion of the resale of the Offered Securities, none of the Issuer, Holdings, the Company, any of the Subsidiary Guarantors or any of their respective affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Securities or attempt to induce any person to purchase any Offered Securities; and none of them nor any of their affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Securities.

(j) For a period of 120 days after the date of the initial offering of the Offered Securities by the Initial Purchasers, except as described in the section entitled "The Transactions" in the Offering Document, none of the Issuer, Holdings, the Company or any of the Company's subsidiaries will offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any United States dollar-denominated debt securities issued or guaranteed by any of the Issuer, Holdings, the Company or any of the Company's subsidiaries and having a maturity of more than one year from the date of issue. The Issuer, Holdings, the Company or any of the Company's subsidiaries will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Regulation S thereunder to cease to be applicable to the offer and sale of the Offered Securities.

(k) On the Closing Date, the Issuer will deposit the Escrowed Funds with the Escrow Agent.

(l) The Issuer, Holdings and the Company will use the net proceeds from the sale of the Offered Securities in substantially the manner described in the Offering Document under the caption "Use of Proceeds".

(m) None of the Issuer, Holdings, the Company, or any of the Company's subsidiaries will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that would be integrated with the sale of the Offered Securities in a manner that would require the registration under the Securities Act of the sale to the Initial Purchasers of the Offered Securities or to take any other action that would result in the resale of the Offered Securities not being exempt from registration under the Securities Act.

(n) None of the Issuer, Holdings, the Company or any of its subsidiaries, will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Issuer to facilitate the resale of the Offered Securities. Except as permitted by the Securities Act, the Issuer will not distribute any (i) preliminary offering memorandum or offering memorandum, including without limitation, the Offering Document or (ii) other offering material in connection with the offering and sale of the Offered Securities.

(o) On the closing date of the Merger, the Issuer and Holdings shall cause the Initial Purchasers to receive one or more counterparts of this Agreement and the Registration Rights Agreement in the form attached as Exhibit A, which shall have been executed and delivered by duly authorized officers of each of the Company and the Subsidiary Guarantors.

(p) On the closing date of the Merger, the Company shall deliver to the Initial Purchasers Secretary's Certificates reasonably satisfactory to the Initial Purchasers which shall include the following documents with respect to the Company and each of the Subsidiary Guarantors: (1) certificates of incorporation, (2) by-laws, (3) resolutions and (4) certificates of good standing and/or qualification to do business as a foreign corporation in such jurisdictions as the Initial Purchasers may reasonably request.

(q) On the closing date of the Merger, the Issuer and Holdings shall cause the Initial Purchasers to receive an opinion, dated the date of such closing, from Simpson, Thacher & Bartlett, counsel for the Company and Holdings after the Merger, substantially in the form of Exhibit D.

(r) On the closing date of the Merger, the Issuer and Holdings shall cause the Initial Purchasers to receive a copy of the opinions delivered in

connection with the consummation of the Credit Agreement, which opinions shall expressly state that the Initial Purchasers are justified in relying upon the opinions therein.

6. Conditions of the Obligations of the Initial Purchasers. The obligations of the Initial Purchasers to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Issuer and Holdings herein, to the accuracy of the statements of officers of the Issuer and the Company made pursuant to the provisions hereof, to the performance by the Issuer and Holdings of their obligations hereunder and to the following additional conditions precedent:

(a) The Initial Purchasers shall have received a letter, dated the date of this Agreement, of Arthur Andersen LLP in a form satisfactory to the Initial Purchasers in all respects.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) a change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the reasonable judgment of CSFBC, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market, or (ii) (A) any change, or any development or event involving a prospective change, in the financial condition, business, properties or results of operations of the Company or its subsidiaries which, in the reasonable judgment of CSFBC, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Securities; (B) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (C) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (D) any banking moratorium declared by U.S. Federal or New York authorities; or (E) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of CSFBC, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Offered Securities.

(c) There shall exist at and as of the Closing Date no condition that would constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) under any Transaction Agreement as in effect or as in draft form at the Closing Date.

(d) The Initial Purchasers shall have received an opinion, dated the Closing Date, of Simpson, Thacher & Bartlett, counsel to the Issuer, Holdings and the Company, substantially in the form of Exhibit B.

(e) The Initial Purchasers shall have received an opinion, dated the Closing Date, of Walter Stafford, Esq., Senior Vice President, Secretary and General Counsel of the Company substantially in the form of Exhibit C.

(f) The Initial Purchasers shall have received from Cravath, Swaine & Moore, counsel for the Initial Purchasers, such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Issuer or the Company, the validity of the Offered Securities, the Offering Circular, the exemption from registration for the offer and sale of the Offered Securities by the Issuer to the Initial Purchasers and the resales by the Initial Purchasers as contemplated hereby and other related matters as CSFBC may require, and the Issuer and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) The Initial Purchasers shall have received a certificate, dated the Closing Date, of the Chief Executive Officer, Chairman of the Americas or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties made by the Issuer and Holdings with respect to the Company in this Agreement are true and correct and that, subsequent to the respective date of the most recent financial statements in the Offering Document, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by

the Offering Document or as described in such certificate.

(h) The Initial Purchasers shall have received a letter, dated the Closing Date, of Arthur Anderson LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection.

(i) The Issuer , Holdings and the Trustee shall have entered into the Indenture and you shall have received counterparts, conformed as executed, thereof.

(j) The Issuer and Holdings shall have entered into the Registration Rights Agreement and you shall have received counterparts, conformed as executed, thereof.

(k) The Issuer and Holdings shall have entered into an escrow agreement with the Escrow Agent and, on the Closing Date, will deposit the Escrowed Funds with the Escrow Agent.

(l) The Offered Securities shall have been designated PORTAL securities in accordance with the rules and regulations adopted by the NASD relating to trading in the PORTAL market.

(m) On or prior to the Closing Date, the Issuer shall have provided to each of the Initial Purchasers and counsel to the Initial Purchasers copies of all Transaction Documents executed and delivered on or prior to such date (and, to the extent available, drafts of Transaction Agreements to be executed on the closing date of the Merger, if later), including but not limited to legal opinions relating to the Transactions.

CSFBC may waive compliance with any conditions to the obligations of the Initial Purchasers hereunder.

7. Indemnification and Contribution. (a) Each of the Issuer and Holdings will indemnify and hold harmless the Initial Purchasers, their partners, directors and officers and each person, if any, who controls such

Initial Purchaser within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Initial Purchasers may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any breach of any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related Preliminary Offering Circular, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Issuers's failure to perform its obligations under Section 5(a) of this Agreement, and will reimburse the Initial Purchasers for any legal or other expenses reasonably incurred by such Initial Purchasers in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, -------- -------
that the Issuer and Holdings will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Issuer by any Initial Purchaser through CSFBC specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below; and provided further, however, that with respect to any untrue statement ---------- -------
or alleged untrue statement in or omission or alleged omission from any Preliminary Offering Circular, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of the Initial Purchaser that sold the securities concerned (or any Person controlling such Purchaser) to the person asserting any such losses, claims, damages or liabilities, to the extent that such sale was an initial resale by such Initial Purchaser and any such loss, claim, damage or liability of such Initial Purchaser or such Person controlling such Initial Purchaser results from the fact that there was not sent or given to the person, at or prior to the written confirmation of the sale of such securities to such person, a copy of the Offering Circular, if the Issuer or the Company had previously furnished copies thereof to such Initial Purchaser on a timely basis and in a sufficient quantity to enable such Initial Purchaser to furnish copies of the Offering Circular to all the persons to whom such Initial Purchaser sold the securities concerned.

(b) The Initial Purchasers will indemnify and hold harmless the Issuer, its directors and officers and each person, if any, who controls the Issuer within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Issuer may become subject, under the

Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document or any amendment or supplement thereto or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Issuer or the Company by such Initial Purchasers through CSFBC specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Issuer in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Initial Purchasers consists of (i) the following information in the Offering Document: under the caption "Plan of Distribution", the fifth, eighth and ninth paragraphs, and the third sentence of the seventh paragraph; provided, however, that the Initial
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Purchasers shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Issuer's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any

indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer and Holdings on the one hand and the Initial Purchasers on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and Holdings on the one hand and the Initial Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Issuer and Holdings on the one hand and the Initial Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total discounts and commissions received by the Initial Purchasers from the Issuer under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer and Holdings or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), the Initial Purchasers shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by the Initial Purchasers exceeds the amount of any

damages which the Initial Purchasers have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(e) The obligations of the Issuer and Holdings under this Section shall be in addition to any liability which the Issuer and Holdings may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls such Initial Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations of the Initial Purchasers under this Section shall be in addition to any liability which the Initial Purchasers may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Issuer within the meaning of the Securities Act or the Exchange Act.

8. Default of Initial Purchasers. If any Initial Purchaser or Initial Purchasers default in their obligations to purchase Offered Securities hereunder and the aggregate principal amount of Offered Securities that such defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase does not exceed 10% of the total principal amount of Offered Securities, CSFBC may make arrangements satisfactory to the Issuer

for the purchase of such Offered Securities by other persons, including any of the Initial Purchasers, but if no such arrangements are made by the Closing Date, the non-defaulting Initial Purchasers shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Initial Purchasers agreed but failed to purchase. If any Initial Purchaser or Initial Purchasers so default and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of Offered Securities and arrangements satisfactory to CSFBC and the Issuer for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Initial Purchaser or the Issuer, except as provided in Section 9. As used in this Agreement, the term "Initial Purchaser" includes any person substituted for an Initial Purchaser under this Section. Nothing herein will relieve a defaulting Initial Purchaser from liability for its default.

9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Issuer and Holdings or any of their officers and of the Initial Purchasers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchasers, the Issuer, Holdings or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If for any reason the purchase of the Offered Securities by the Initial Purchasers is not consummated, the Issuer shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5(h) and the respective obligations of the Issuer and Holdings and the Initial Purchasers pursuant to Section 7 shall remain in effect. If the purchase of the Offered Securities by the Initial Purchasers is not consummated for any reason other than solely because of the occurrence of any event specified in clause (C), (D) or (E) of Section 6(b)(ii), the Issuer and Holdings will reimburse the Initial Purchasers for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by it in connection with the offering of the Offered Securities; provided, however, that the Issuer and Holdings will not reimburse the
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defaulting Initial Purchaser or Purchasers if the purchase is not consummated as a result of the termination of this Agreement pursuant to Section 8.

10. Notices. All communications hereunder will be in writing and, if sent to the Initial Purchasers will be mailed, delivered or telegraphed and confirmed to the Initial Purchasers at Eleven Madison Avenue, New York, New York 10010-3629, Attention: Investment Banking Department - Transactions Advisory Group, or, if sent to the Issuer, will be mailed, delivered or telegraphed and confirmed to it at BLUM CB Corp., 909 Montgomery Street, Suite 400, San Francisco, California 94133, Attention: Claus Moller.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder, except that holders of Offered Securities shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Issuer as if such holders were parties thereto.

12. Representation of Initial Purchasers. CSFBC will act for the several Initial Purchasers in connection with this purchase, and any action under this Agreement taken by CSFBC will be binding upon all the Initial Purchasers.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such

counterparts shall together constitute one and the same Agreement.

14. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer and Holdings hereby submit to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with the Initial Purchasers' understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Issuer, Holdings and the Initial Purchasers in accordance with its terms.

Very truly yours,

BLUM CB Corp.

By /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

CBRE Holding, Inc.

By /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

The foregoing Purchase Agreement
is hereby confirmed and accepted
as of the date first above written.

Credit Suisse First Boston Corporation
Acting on behalf of itself and as the Representative
of the several Initial Purchasers

By Credit Suisse First Boston Corporation

By /s/ Malcolm Price

Name: Malcolm Price
Title: Managing Director

SCHEDULE A

Manager	Principal Amount of Offered Securities
Credit Suisse First Boston Corporation.....	$179,522,000
Credit Lyonnais Securities (USA) Inc.....	$ 20,299,000
HSBC Securities (USA) Inc.....	$ 20,299,000
Scotia Capital (USA) Inc.....	$ 8,880,000
Total	$229,000,000

EXHIBIT A

[TO BE SIGNED BY CB RICHARD ELLIS SERVICES]

Counterpart to the Purchase Agreement

The undersigned hereby agrees to assume and be bound by all of the obligations of BLUM CB Corp., a Delaware corporation (the "Issuer"), under the Purchase Agreement dated May 31, 2001, among the Issuer, CBRE Holding, Inc. and the Initial Purchasers (as defined therein).

Dated: _____ CB RICHARD ELLIS SERVICES, INC.

By:_____
Name:
Title:

[TO BE SIGNED BY EACH SUBSIDIARY GUARANTOR]

Counterpart to the Purchase Agreement

The undersigned hereby agrees to be bound by all of the obligations of CBRE Holding, Inc., a Delaware Corporation ("Holdings"), under the Purchase Agreement dated May 31, 2001, among BLUM CB Corp., a Delaware Corporation, Holdings and the Initial Purchasers (as defined therein). For the avoidance of doubt, such obligators shall include, but not be limited to, the obligations enumerated in Section 7(a) of the Purchase Agreement.

Dated: _____ _____
Name of Company

By:_____
Name:
Title:

[TO BE SIGNED BY CB RICHARD ELLIS SERVICES AND EACH SUBSIDIARY GUARANTOR]

Counterpart to Registration Rights Agreement

The undersigned hereby agrees to be bound by all of obligations of the "Company" under the Registration Rights Agreement, dated May 31, 2001, among BLUM CB Corp., a Delaware corporation, CBRE Holding, Inc., a Delaware corporation, and the Initial Purchasers (as defined therein). For the avoidance of doubt, such obligations shall include, but not be limited to, the obligations enumerated in Section 5(a) and in Section 6 of the Registration Rights Agreement.

Dated:_____ _____
Name of Company

By:_____
Name:
Title:

EXHIBIT B

June____, 2001

Credit Suisse First Boston Corporation
Credit Lyonnais Securities (USA) Inc.
HSBC Securities (USA) Inc.
Scotia Capital (USA) Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

We have acted as special counsel to BLUM CB Corp. (the "Issuer"), a Delaware corporation, and CBRE Holding, Inc. ("Holdings"), a Delaware corporation and the parent corporation of the Issuer, in connection with the purchase by you of $229,000,000 aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 (the "Notes") of the Issuer, unconditionally guaranteed on an unsecured, senior subordinated basis by Holdings (such guaranty is referred to herein as the "Parent Guaranty"), pursuant to the Purchase Agreement, dated as of May 31, 2001 (the "Purchase Agreement"), by and among the

Issuer, Holdings and you, as the initial purchasers (the "Initial Purchasers").

Pursuant to the terms and subject to the conditions of the amended and restated agreement and plan of merger, dated as of May 31, 2001, among CB Richards Ellis Services, Inc. (the "Company"), a Delaware corporation, Holdings and the Issuer, the Issuer is to be merged into the Company as described therein.

We have examined the Offering Circular, dated as of May 31, 2001 (the "Offering Circular"), relating to the sale of the Notes; the Indenture, dated as of June 7, 2001 (the "Indenture"), by and among the Issuer, Holdings and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"), relating to the Notes and the Parent Guaranty; the global notes representing the Notes; the Purchase Agreement; the Escrow Agreement, dated as of June 7, 2001 (the "Escrow Agreement"), by and

among the Issuer, Holdings and State Street Bank and Trust Company N.A., as escrow agent (the "Escrow Agent"); and the Registration Rights Agreement, dated as of May 31, 2001 (the "Registration Rights Agreement"), by and among the Issuer, Holdings and you. In addition, we have examined, and have relied as to matters of fact upon, the documents delivered to you at the closing, and upon originals, or duplicates or certified or conformed copies, of such corporate records, agreements, documents and other instruments and such certificates or comparable documents of public officials and of officers and representatives of the Issuer, Holdings and the Company, and have made such other investigations, as we have deemed relevant and necessary in connection with the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

1. The Issuer and Holdings have been duly incorporated and are validly existing and in good standing as corporations under the laws of the State of Delaware.

2. The Indenture has been duly authorized, executed and delivered by the Issuer and Holdings and, assuming that the Indenture is the valid and legally binding obligation of the Trustee, constitutes valid and legally binding obligations of the Issuer and Holdings, respectively, enforceable against the Issuer and Holdings in accordance with its terms.

3. The Notes have been duly authorized, executed and issued by the Issuer and, assuming due authentication thereof by the Trustee and upon payment and delivery in accordance with the Purchase Agreement, will constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms and entitled to the benefits of the Indenture

4. The Exchange Securities (as defined in the Registration Rights Agreement) have been duly authorized by the Issuer and Holdings.

5. The Parent Guaranty has been duly authorized, executed and issued by Holdings and, assuming due authentication of the Notes by the Trustee and upon payment for and delivery of the Notes in accordance with the Purchase Agreement, will constitute valid and legally binding obligation of Holdings enforceable against Holdings in accordance with its terms and entitled to the benefits of the Indenture.

6. The Registration Rights Agreement has been duly authorized, executed and delivered by the Issuer and Holdings and, assuming that the Registration Rights Agreement is the valid and legally binding obligations of the Initial Purchasers, constitutes valid and legally binding obligations of the Issuer and Holdings, respectively, enforceable against the Issuer and Holdings in accordance with its terms.

7. The Escrow Agreement has been duly authorized executed and delivered by the Issuer and Holdings and, assuming that the Escrow Agreement is the valid and legally binding obligation of the Escrow Agent, constitutes valid and legally binding obligations of the Issuer and Holdings, respectively, enforceable against the Issuer and Holdings in accordance with its terms.

8. The Purchase Agreement has been duly authorized and executed by the Issuer and Holdings.

9. The statements made in the Offering Circular under the caption "Description of the Notes" insofar as they purport to constitute summaries of certain terms of documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

10. The statements made in the Offering Circular under the caption "U.S. Federal Income Tax Consequences to Non-U.S. Holders" insofar as they purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects.

11. The issue and sale of the Notes by the Issuer, the issue of the Parent Guaranty by Holdings, the compliance by the Issuer and Holdings with all of the provisions of the Purchase Agreement and the consummation of the Merger (as defined in the Indenture) will not breach or result in a default under any of the agreements or instruments identified on Schedule I annexed hereto and furnished to us by the Issuer and Holdings, nor will such action violate the Certificate of Incorporation or By-laws of the Issuer or Holdings or any federal or New York statute or the Delaware General Corporation Law or any order known to us issued pursuant to any federal or New York statute or the Delaware General Corporation Law by any court or governmental agency or body or court having jurisdiction over the Issuer, Holdings or any of their respective property.

12. No consent, approval, authorization, order, registration or qualification of or with any federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware General Corporation Law or, to our knowledge, any federal or New York court or any Delaware court acting pursuant to the Delaware General Corporation Law is required for the issue and sale of the Notes by the Issuer and the issue of the Parent Guaranty by Holdings and the compliance by the Issuer and Holdings with all of the provisions of the Purchase Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Initial Purchasers.

13. To our knowledge, there are no pending or threatened legal proceedings to which the Issuer or Holdings is a party or otherwise subject that are required to be described in the Offering Circular which are not described as required.

14. No registration under the Securities Act of 1933, as amended (the "Securities Act"), of the Notes or the Parent Guaranty and no qualification of the Indenture under the Trust Indenture Act is required for the offer and sale of the Notes by the Issuer to the Initial Purchasers or the reoffer and resale of the Notes by the Initial Purchasers to the initial purchasers therefrom

solely in the manner contemplated in the Offering Circular, the Purchase Agreement and the Indenture.

15. Following the issuance of the Notes and the application of the proceeds therefrom, none of the Issuer, Holdings or the Company will be an "investment company" within the meaning of and subject to regulation under the Investment Company Act of 1940, as amended.

16. When the Notes are issued and delivered pursuant to the Purchase Agreement, such Notes will not be of the same class (within the meaning of Rule 144A under the Securities Act) as securities of the Company that are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended, or that are quoted in a United States automated inter-dealer quotation system.

Our opinions in paragraphs 2, 3, 5, 6 and 7 above are subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing. Our opinion in paragraph 6 is further limited by considerations of public policy.

We express no opinion as to the validity, legally binding effect or enforceability of any provision of the Registration Rights Agreement or any related provisions of the Indenture, that requires or relates to payment of any interest at a rate or in an amount which a court would determine in the circumstances under applicable law to be commercially unreasonable or a penalty or a forfeiture.

We have not independently verified the accuracy, completeness or fairness of the statements made or included in the Offering Circular and take no responsibility therefore, except as and to the extent set forth in paragraphs 9

and 10 above. In the course of the preparation by the Issuer, Holdings and the Company of the Offering Circular, we participated in conferences with certain officers and employees of the Issuer, Holdings and the Company and with representatives of Arthur Andersen LLP, independent accountants to the Issuer, Holdings and the Company. Based upon our examination of the Offering Circular, our investigations made in connection with the preparation of the Offering Circular and our participation in the conferences referred to above, we have no reason to believe that the Offering Circular contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not

misleading, except that we express no belief with respect to the financial statements or other financial or statistical data contained in the Offering Circular.

We are members of the Bar of the State of New York, and we do not express any opinion herein concerning any law other than the law of the State of New York, the federal law of the United States and the Delaware General Corporation.

This opinion letter is rendered to you in connection with the above-described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent.

Very truly yours,

SIMPSON THACHER & BARTLETT

Schedule I to Exhibit B

List of Material Agreements and Instruments

EXHIBIT C

June ___, 2001

CREDIT SUISSE FIRST BOSTON CORPORATION
Credit Lyonnais Securities (USA) Inc.
HSBC Securities (USA) Inc.
Scotia Capital (USA) Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

Reference is hereby made to the purchase by you of $229,000,000 aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 (the "Notes") of BLUM CB Corp. (the "Issuer"), a Delaware corporation, unconditionally guaranteed on an unsecured, senior subordinated basis by CBRE Holding, Inc. ("Holdings"), a Delaware corporation and the parent corporation of the Issuer (such guaranty is referred to herein as the "Parent Guaranty"), and to be unconditionally guaranteed on an unsecured, senior subordinated basis by the subsidiaries listed on Schedule I hereto (such listed subsidiaries are referred to herein as the "Subsidiary Guarantors") of CB Richard Ellis Services, Inc. (the "Company"), a Delaware corporation and the entity into which the Issuer will merge (pursuant to the terms and subject to the conditions of the amended and restated agreement and plan of merger, dated as of May 31, 2001, among the Company, Holdings and the Issuer), pursuant to the Purchase Agreement, dated as of May 31, 2001 (the "Purchase Agreement"), by and among the Issuer, Holdings and you, as the initial purchasers (the "Initial Purchasers").

As the General Counsel of the Company, I have examined the Offering Circular, dated as of May 31, 2001 (the "Offering Circular"), relating to the sale of the Notes; the Indenture, dated as of June 7, 2001 (the "Indenture"), by and among the Issuer, Holdings and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"), relating to the Notes and the Parent Guaranty; the global notes

representing the Notes; the Purchase Agreement; the Escrow Agreement, dated as of June 7, 2001 (the "Escrow Agreement"), by and among the Issuer, Holdings and

State Street Bank and Trust Company N.A., as escrow agent; and the Registration Rights Agreement, dated as of May 31, 2001 (the "Registration Rights Agreement"), by and among the Issuer, Holdings and the Initial Purchasers. In addition I have examined, and have relied as to matters of fact upon, the documents delivered to you at the closing, and upon originals, or duplicates or certified or conformed copies, of such corporate records, agreements, documents and other instruments and such certificates or comparable documents of public officials and of officers and representatives of the Company and the Subsidiary Guarantors, and have made such other investigations, as I have deemed relevant and necessary in connection with the opinions hereinafter set forth.

In such examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, I am of the opinion that:

1. Each of the Company and the Subsidiary Guarantors is duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own its properties and conduct its business as described in the Offering Circular; and each of the Company and the Subsidiary Guarantors is duly qualified to do business as a foreign corporation in good standing in all jurisdictions in which its ownership or leasing of properties or the conduct of its business requires such qualification; except to the extent that the failure to be so qualified or to be in good standing would not have a material adverse effect on the business, financial condition or results of operation of the Company and its subsidiaries, taken as a whole ("Material Adverse Effect").

2. Neither the Company nor, to my knowledge, any of the Subsidiary Guarantors is in breach or violation of any of the terms and provisions of, or in default under, (i) any statute, rule or regulation, or any order known to me of any governmental agency or body or any court, domestic or foreign, that has jurisdiction over the Company or any of its subsidiaries or any of their properties, (ii) any agreement or instrument to which the Company or any of the Subsidiary Guarantors is a party or by which the Company or any of the Subsidiary Guarantors is bound or to which any of the properties of the Company or its subsidiaries is subject or (iii) the charter, by-laws or similar governing document of the Company or any of the Subsidiary Guarantors,

except for such breaches, violations or defaults which would not result in a Material Adverse Effect.

3. Except as disclosed in the Offering Circular, there are no pending or threatened actions, suits or proceedings against the Company or, to my knowledge, any Subsidiary Guarantor or any of their respective properties or assets that, if determined adversely to the Company or any such Subsidiary Guarantor, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the power or ability of the Company or any Subsidiary Guarantor to consummate the Transactions (as defined in the Purchase Agreement) or would materially and adversely affect the ability of the Company to assume the Issuer's obligations under the Purchase Agreement, the Registration Rights Agreement, the Notes or the Indenture or the Subsidiary Guarantors' ability to guarantee the Notes or to execute the Supplemental Indenture or the counterparts to the Purchase Agreement or the Registration Rights Agreement.

4. Except as otherwise disclosed in the Offering Circular, the consummation of the Transactions will not result in a breach or violation of any of the terms and provisions, of, or constitute a default under, any statute, rule or regulation, or any order known to me of any governmental agency or body or any court having jurisdiction over the Company or, to my knowledge, any Subsidiary Guarantor or any of the properties of the Company or any of the properties of the Subsidiary Guarantors known to me, or any agreement or instrument which the Company or, to my knowledge, a Subsidiary Guarantor is a party or by which the Company or, to my knowledge, a Subsidiary Guarantor is bound or to which any of the properties of the Company or, to my knowledge, a Subsidiary Guarantor is subject, or the charter or by-laws of the Company or any Subsidiary Guarantor.

I have not independently verified the accuracy, completeness or fairness of the statements made or included in the Offering Circular and take no responsibility therefor. Based upon my examination of the Offering Circular, I have no reason to believe that the Offering Circular contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under

which they were made, not misleading, except that I shall express no belief with respect to the financial statements or other financial or statistical data contained in the Offering Circular.

I am a member of the Bar of the State of California, and I do not express any opinion herein concerning any law other than the law of the State of California, the federal law of the United States, the Delaware General Corporation law and the Delaware Limited Liability Company Act.

This opinion letter is rendered to you in connection with the above-described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without my prior written consent.

Very truly yours,

WALTER V. STAFFORD

Schedule I to Exhibit C

List of Subsidiary Guarantors

EXHIBIT D

July ___, 2001

Credit Suisse First Boston Corporation
Credit Lyonnais Securities (USA) Inc.
HSBC Securities (USA) Inc.
Scotia Capital (USA) Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

We have acted as special counsel to BLUM CB Corp. (the "Issuer"), a Delaware Corporation, CBRE Holding, Inc. ("Holdings"), a Delaware corporation and the parent corporation of the Issuer, CB Richard Ellis Services, Inc. (the "Company"), a Delaware corporation, and the Subsidiary Guarantors (as defined below) in connection with the purchase by you of $229,000,000 aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 (the "Notes") of the Issuer, unconditionally guaranteed on an unsecured, senior subordinated basis by (i) Holdings and (ii) the subsidiaries of the Company listed on Schedule I hereto (such listed subsidiaries are referred to herein as the "Subsidiary Guarantors"). Such guarantees of the Subsidiary Guarantors are referred to herein as the "Subsidiary Guarantees." Pursuant to the terms of the amended and restated plan of merger, dated as of May 31, 2001, among the Company, Holdings and the Issuer, the Issuer has been merged into the Company.

We have examined the Indenture, dated as of June 7, 2001 (the "Indenture"), by and among the Issuer, Holdings and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"); the Supplemental Indenture, dated as of July ___, 2001 (the "Supplemental Indenture"), by and among Holdings, the Company, the Subsidiary Guarantors and the Trustee; the global notes representing the Notes; the counterpart (the "Purchase Agreement Counterpart") to the Purchase Agreement, dated May 31, 2001, by and among the Issuer, Holdings and you, as initial purchasers (the "Initial Purchasers"); and the counterpart (the "Registration Rights Agreement Counterpart") to the Registration Rights Agreement, dated May

31, 2001, by and among the Issuer, Holdings and the Initial Purchasers. In addition, we have examined, and have relied as to matters of fact upon, the documents delivered to you at the closing, and upon originals, or duplicates or certified or conformed copies, of such corporate records, agreements, documents and other instruments and such certificates or comparable documents of public officials and of officers and representatives of the Issuer, the Company, Holdings and the Subsidiary Guarantors, and have made such other investigations, as we have deemed relevant and necessary in connection with the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

In rendering the opinions set forth in the enumerated paragraphs below, we have assumed that (1) the Subsidiary Guarantors that are not incorporated in, or organized or formed under the laws of, the State of Delaware (such guarantors, the "Non-Delaware Guarantors") are validly existing and in good standing under the laws of the jurisdictions in which each of them is organized and have duly authorized, executed and delivered the Subsidiary Guarantees of the Non-Delaware Guarantors in accordance with their respective charter documents and by-laws (or, as the case may be, equivalent constitutive documents) and the laws of the jurisdictions in which each of them is organized, (2) execution, delivery and performance by the Non-Delaware Guarantors of the Guarantees of the Non-Delaware Guarantors do not violate the laws of the jurisdictions in which each of them is incorporated, organized or formed and (3) execution, delivery and performance by the Non-Delaware Guarantors of the Guarantees of the Non-Delaware Guarantors do not constitute a breach or violation of any agreement or instrument that is binding upon the Non-Delaware Guarantors.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

1. The Supplemental Indenture has been duly authorized, executed and delivered by Holdings, the Company and the Subsidiary Guarantors and, assuming that the Supplemental Indenture is the valid and legally binding obligation of the Trustee, the Supplemental Indenture constitutes valid and legally binding obligations of Holdings, the Company and the Subsidiary Guarantors, respectively, enforceable against Holdings, the Company and the Subsidiary Guarantors in accordance with its terms.

2. The Purchase Agreement Counterpart and the Registration Rights Agreement Counterpart have been duly authorized, executed and delivered by the Company.

3. The Purchase Agreement Counterpart and the Registration Rights Agreement Counterpart have been duly authorized, executed and delivered by the Subsidiary Guarantors.

4. The Subsidiary Guarantees have been duly authorized, executed and issued by the Subsidiary Guarantors and, assuming due authentication of the Notes by the Trustee and upon payment for and delivery of the Notes in accordance with the Purchase Agreement, will constitute valid and legally binding obligations of the Subsidiary Guarantors enforceable against the Subsidiary Guarantors in accordance with their terms and entitled to the benefit of the Indenture.

5. The issue of the Subsidiary Guarantees by the Subsidiary Guarantors and the compliance by the Company and the Subsidiary Guarantors with all of the provisions of the Supplemental Indenture will not breach or result in a default under any of the agreements or instruments identified on Schedule II annexed hereto furnished to us by the Company, nor will such action violate the Certificate of Incorporation or By-laws of the Company or any Subsidiary Guarantor or any federal or New York statute or the Delaware General Corporation Law or any order known to us issued pursuant to any federal or New York statute or the Delaware General Corporation Law by any court or governmental agency or body or court having jurisdiction over the Company or any Subsidiary Guarantor or any of their properties.

6. No consent, approval, authorization, order, registration or qualification of or with any federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware General Corporation Law or, to our knowledge, any federal or New York court or any Delaware court acting pursuant to the Delaware General Corporation Law is required for the issue of the Subsidiary Guarantees by the Subsidiary Guarantors and the compliance by the Subsidiary Guarantors with all of the provisions of the Supplemental Indenture.

Our opinion in paragraphs 1 and 4 above is subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

We express no opinion as to the validity, legally binding effect or

enforceability of any provision of the Supplemental Indenture, or the Guarantees that requires or relates to payment of any interest at a rate or in an amount which a court would determine in the circumstances under applicable law to be commercially unreasonable or a penalty or a forfeiture.

We are members of the Bar of the State of New York, and we do not express any opinion herein concerning any law other than the law of the State of New York, the federal law of the United States, the Delaware General Corporation law and the Delaware Limited Liability Company Act.

This opinion letter is rendered to you in connection with the above-described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent.

Very truly yours,

SIMPSON THACHER & BARTLETT

Schedule I to Exhibit D

List of Subsidiary Guarantors

Schedule II to Exhibit D

List of Material Agreements and Instruments

EXHIBIT 4.10

Execution Copy

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BLUM CB Corp.
Issuer

CBRE Holding, Inc.
Parent

11 1/4% Senior Subordinated Notes Due June 15, 2011

_____

INDENTURE

Dated as of June 7, 2001

_____

State Street Bank and Trust Company
of California, N.A.
Trustee

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N.A. means Not Applicable.

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Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

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Rule 144A/Regulation S Appendix

Exhibit 1 - Form of Initial Security

Exhibit A - Form of Exchange Security or Private Exchange Security

INDENTURE dated as of June 7, 2001, between BLUM CB CORP., a Delaware corporation (the "Company"), CBRE HOLDING, INC. ("Parent") and STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, N.A. (the "Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Company's Initial Securities, Exchange Securities and Private Exchange Securities (collectively, the "Securities"):

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01. Definitions.

"Additional Assets" means (1) any property or other assets (other than Indebtedness and Capital Stock) used in a Related Business; (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clause (2) or (3) above is primarily engaged in a Related Business.

"Additional Securities" means, subject to the Company's compliance with Section 4.03, 11 1/4% Senior Subordinated Notes Due June 15, 2011 issued from time to time after the Issue Date under the terms of this Indenture (other then pursuant to Section 2.06, 2.07, 2.09 or 3.06 of this Indenture and other than Exchange Securities or Private Exchange Securities issued pursuant to an exchange offer for other Securities outstanding under this Indenture).

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of Sections 4.04, 4.06 and 4.07 only, "Affiliate" shall also

mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Company or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary),

(2) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary or

(3) any other assets of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary

(other than, in the case of (1), (2) and (3) above, (A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary, (B) for purposes of Section 4.06 only, a disposition that constitutes a Restricted Payment permitted by Section 4.04 or a Permitted Investment, (C) the sale by Melody of assets purchased and/or funded pursuant to the Melody Mortgage Warehousing Facility or the Melody Loan Arbitrage Facility, (D) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary, (E) a disposition of Temporary Cash Investments in the ordinary course of business, (F) the disposition of property or assets that are obsolete, damaged or worn out, (G) the lease or sublease of office space in the ordinary course of business, (H) sales by Melody of debt servicing rights not in excess of $5.0 million in the aggregate and (I) a disposition of assets with a fair market value of less than $750,000 (a "de minimis disposition"), so long as the sum of such de minimis disposition plus all other de minimis dispositions previously made in the same calendar year does not exceed $3.0 million in the aggregate);

provided, however, that a disposition of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Section 4.09 and/or Section 5.01 and not by Section 4.06.

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Securities, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented

thereby will be determined in accordance with the definition of "Capital Lease Obligation".

"Average Life" means, as of the date of determination, with respect to any Indebtedness the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by (2) the sum of all such payments.

"Bank Indebtedness" means all Obligations pursuant to the Credit Agreement.

"Board of Directors" means the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Lease Obligation" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in

(however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Cash Equity Contributions" shall mean (a) the contribution to Parent of not less than $98,800,000 in cash in the form of equity (it being understood that (i) any contribution to Parent by RCBA of shares of common equity of CB Richard Ellis Services in excess of 2,345,900 shares will be considered a cash contribution by RCBA in an amount equal to $16.00 multiplied by the number of shares constituting such excess and a contribution of such amount from Parent to the Company and (ii) the transfer by designated managers of an aggregate of up to $2.6 million of deferred compensation plan account balances (currently reflected as cash surrender value of insurance policies, deferred compensation plan in the financial statements of the Company) to stock fund units shall be deemed to be a cash contribution to Parent of the amount of such transfer and a contribution of such amount from Parent to the Company to the extent (x) accounted for as equity of the Company and (y) such transfer of an account balance results in a transfer to the Company of cash from the trust relating to such deferred compensation plan) and (b) the contribution by Parent of the amount so received, together with the net proceeds from its sale of the Parent Senior Notes, to the Company as equity in exchange for Capital Stock (other than Disqualified Stock) of the Company.

"CB Richard Ellis Services" means CB Richard Ellis Services, Inc., a Delaware corporation.

"Change of Control" means the occurrence of any of the following events:

(1) prior to the earlier to occur of (A) the first underwritten public offering of common stock of Parent or (B) the first public offering of common stock of the Company, (x) the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting power of the Voting Stock of the Company, whether as a result of issuance of securities of Parent or the Company, any merger, consolidation, liquidation or dissolution of Parent or the Company, or any direct or indirect transfer of securities by Parent or otherwise and (y) RCBA ceases to (i) be the beneficial owner, directly or indirectly, of at least 35% of the total voting power of the Voting Stock of the Company or (ii) have the right or ability by voting power,

contract or otherwise to elect or designate for election a majority of the Board of Directors (for purposes of this clause (1) and clause (2) below, the Permitted Holders shall be deemed to beneficially own any Voting Stock of a Person (the "specified Person") held by any other Person (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, (1) in the case of a parent entity that is Parent, in the aggregate at least 35% of the voting power of the Voting Stock of Parent and have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors or

(2) in the case of any other parent entity, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

(2) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in clause (1) above, except that for purposes of this clause (2) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time and except that any Person that is deemed to have beneficial ownership of shares solely as the result of being part of a group pursuant to Rule 13d-5(b)(1) shall be deemed not to have beneficial ownership of any shares held by a Permitted Holder forming a part of such group), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company; provided, however, that the Permitted
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Holders beneficially own (as defined in clause (1) above , except that in the event the Permitted Holders are part of a group pursuant to Rule 13d-5(b)(1), the Permitted Holders shall be deemed not to have beneficial ownership of any shares held by persons other than Permitted Holders forming a part of such group), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors (for the purposes of this clause (2), such other person shall be deemed to beneficially own any Voting Stock of a specified Person held by a parent entity, if such other person is the beneficial owner (as defined in this clause (2)), directly or indirectly, of more than 35% of the voting power of the Voting Stock of such parent

entity and the Permitted Holders beneficially own (as defined in clause (1) above), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent entity and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent entity);

(3) individuals who on the Merger Date constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors of the Company then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office;

(4) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(5) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, or the sale of all or substantially all the assets of the Company (determined on a consolidated basis) to another Person (other than, in all such cases, a Person that is controlled by the Permitted Holders), other than a transaction following which (A) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and in substantially the same proportion as before the transaction and (B) in the case of a sale of assets transaction, the transferee Person becomes the obligor in respect of the Securities and a Subsidiary of the transferor of such assets.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision

contained herein and required by the TIA, each other obligor on the indenture securities.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of

(x) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available ending prior to the date of such determination to

(y) Consolidated Interest Expense for such four fiscal quarters;

provided, however, that

(1) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period,

(2) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness,

(3) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the

subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale),

(4) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and

(5) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any

Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company (and shall include any applicable Pro Forma Cost Savings). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of

12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense of the Company and its consolidated Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent incurred by the Company or its Restricted Subsidiaries, without duplication,

(1) interest expense attributable to Capital Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction,

(2) amortization of debt discount and debt issuance cost,

(3) capitalized interest,

(4) non-cash interest expense,

(5) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing,

(6) net payments pursuant to Hedging Obligations in respect of Indebtedness,

(7) Preferred Stock dividends in respect of all Preferred Stock held by Persons other than the Company or a Restricted Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the issuer of such Preferred Stock),

(8) interest incurred in connection with Investments in discontinued operations,

(9) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is

Guaranteed by (or secured by the assets of) the Company or any Restricted Subsidiary and

(10) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust,

and less, to the extent included in such total interest expense, (A) the amortization during such period of capitalized financing costs associated with the Transactions and (B) the amortization during such period of other capitalized financing costs; provided, however, that the aggregate amount of
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amortization relating to any such other capitalized financing costs deducted in calculating Consolidated Interest Expense shall not exceed 3.5% of the aggregate amount of the financing giving rise to such capitalized financing costs.

"Consolidated Net Income" means, for any period, the sum of (1) the net income of the Company and its consolidated Subsidiaries and (2) to the extent deducted in calculating net income of the Company and its consolidated Subsidiaries, (A) any non-recurring fees, expenses or charges related to the Transactions and (B) any non- recurring charges related to one-time severance or lease termination costs incurred in connection with the Transactions; provided,
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however, that there shall not be included in such Consolidated Net Income:
- -------

(1) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that

(A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below) and

(B) the Company's equity in a net loss of any such Person to the extent accounted for pursuant to the equity method of accounting for such period

shall be included in determining such Consolidated Net Income;

(2) any net income (or loss) of any Person acquired by the Company or

a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;

(3) any net income of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company, except that

(A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause) and

(B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(4) any gain (or loss) realized upon the sale or other disposition of any assets of the Company, its consolidated Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the s ale or other disposition of any Capital Stock of any Person;

(5) extraordinary gains or losses;

(6) the cumulative effect of a change in accounting principles;

(7) any income or losses attributable to discontinued operations (including operations disposed of during such periods whether or not such operations were classified as discontinued);

(8) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date; and

(9) if the Successor Company is not the Company, the aggregate net income (or loss)of such Successor Company prior to the consolidation, merger or transfer resulting in such Successor Company.

Notwithstanding the foregoing, for the purpose of Section 4.04 only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Company or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under such Section pursuant to Section 4.04(a)(3)(D).

"Credit Agreement" means the Credit Agreement to be entered into among CB Richard Ellis Services, Parent, as guarantor, the lenders referred to therein, Credit Suisse First Boston, as Administrative Agent Sole Lead Arranger and Sole Book Manager, and the Syndication Agent and Documentation Agent named therein, together with the related documents thereto (including the term loans and revolving loans thereunder, any guarantees and security documents), as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement (and related document) governing Indebtedness incurred to Refinance, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such Credit Agreement or a successor Credit Agreement, whether by the same or any other lender or group of lenders.

"Currency Agreement" means in respect of a Person any foreign exchange contract, currency swap agreement or other similar agreement designed to protect such Person against fluctuations in currency values.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Senior Indebtedness", with respect to a Person, means (1) the Bank Indebtedness and (2) any other Senior Indebtedness of such Person which, at the date of determination, has an aggregate principal amount outstanding

of, or under which, at the date of determination, the holders thereof are committed to lend up to, at least $25.0 million and is specifically designated by such Person in the instrument evidencing or governing such Senior

Indebtedness as "Designated Senior Indebtedness" for purposes of this Indenture.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(3) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part,

in each case on or prior to the first anniversary of the Stated Maturity of the Securities; provided, however, that if such Capital Stock is issued to any
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employee or to any plan for the benefit of employees of the Company or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company in order to satisfy obligations as a result of such employee's death or disability; and provided further, however, that any Capital
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Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if (1) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Securities in Sections 4.06 and 4.09 of this Indenture and (2) any such requirement only becomes operative after compliance with such terms applicable to the Securities, including the purchase of any Securities tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified

Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; provided, however, that if such Disqualified Stock could not
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be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"EBITDA" for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) all income tax expense of the Company and its consolidated Restricted Subsidiaries,

(2) Consolidated Interest Expense,

(3) any non-recurring fees, expenses or charges related to any Equity Offering, Permitted Investment, acquisition or Incurrence of Indebtedness permitted to be Incurred by the Indenture (in each case, whether or not successful), including any such fees, expenses or charges related to the Transactions, in each case not exceeding $5.0 million in the aggregate for all such non-recurring fees, expenses and charges attributable to the same transaction or event (or group of related transactions or events),

(4) depreciation and amortization expense of the Company and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid operating activity item that was paid in cash in a prior period),

(5) all other non-cash losses, expenses and charges of the Company and its consolidated Restricted Subsidiaries (excluding any such non-cash loss, expense or charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period), and

(6) any non-recurring charges that are incurred and associated with the restructuring of the operations of the Company and its consolidated Subsidiaries announced prior to the Issue Date and implemented within 90 days after the Merger Date,

in each case for such period. Notwithstanding the foregoing, the provision for

taxes based on the income or

profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means any primary offering of Capital Stock of Parent or the Company (other than Disqualified Stock)to Persons who are not Affiliates of the Company other than (1) public offerings with respect to the Company's Common Stock registered on Form S-8 and (2) issuances upon exercise of options by employees of the Company or any of its Restricted Subsidiaries.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exempt Subsidiary" means any Restricted Subsidiary that shall have had aggregate EBITDA of less than $250,000 for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available ending prior to the date of the issuance or sale of its Capital Stock giving rise to such determination; provided, however, that such sale or issuance
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is pursuant to a plan or program for the sale or issuance of Capital Stock a majority of which is sold to local management or to local strategic investors.

"Facilities" means the Term Loan Facilities and the Revolving Credit Facilities.

"Foreign Restricted Subsidiary" means any Restricted Subsidiary not incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

"Freeman Spogli" means collectively, (1) FS Equity Partners III, L.P., (2) FS Equity Partners International L.P., (3) any investment fund that is affiliated with Freeman Spogli & Co. Incorporated and (4) Freeman Spogli & Co. Incorporated and any successor entity thereof controlled by the principals of Freeman Spogli & Co. Incorporated or

any entity controlled by, or under common control with, Freeman Spogli & Co. Incorporated.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Issue Date, including those set forth in

(1) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants,

(2) statements and pronouncements of the Financial Accounting Standards Board,

(3) such other statements by such other entity as approved by a significant segment of the accounting profession and

(4) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. Except as otherwise provided herein, all ratios and computations based on GAAP contained in this Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise) or

(2) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for
collection or deposit in the ordinary course of business. The term "Guarantee"
used as a verb has a corresponding meaning.

"Guarantor" means Parent and/or a Subsidiary Guarantor.

"Guaranty" means the Parent Guaranty and/or a Subsidiary Guaranty.

"Guaranty Agreement" means a supplemental indenture, in a form satisfactory to the Trustee, pursuant to which a Guarantor guarantees the Company's obligations with respect to the Securities on the terms provided for in this Indenture.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement or similar agreement.

"Holder" or "Securityholder" means the Person in whose name a Security is registered on the Registrar's books.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Section 4.03, (1) amortization of debt discount or the accretion of principal with respect to a noninterest bearing or other discount security and (2) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms will not be deemed to be the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(2) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the twentieth Business Day following payment on the letter of credit);

(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with Section 1.04(7) (but excluding, in each case, any accrued dividends);

(6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(7) all obligations of the type referred to in clauses (1) through (6) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets and the amount of the obligation so secured; and

(8) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term "Indebtedness" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter. Indebtedness of any Person shall include all Indebtedness of any partnership or other entity in which such Person is a general partner or other equity holder with unlimited liability other than Indebtedness which by its terms is non-recourse to such Person and its assets.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date provided, however, that the principal amount of any noninterest bearing or other discount security at any date will be the principal amount thereof that would be shown on a balance sheet of such Person dated such date prepared in accordance with GAAP.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Independent Qualified Party" means an investment banking firm, accounting firm or appraisal firm of national standing; provided, however, that such firm is not an Affiliate of the Company.

"Interest Rate Agreement" means in respect of a Person any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement designed to protect such Person against fluctuations in interest rates.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock,

Indebtedness or other similar instruments issued by such Person. Except as otherwise provided for herein, the amount of an Investment shall be its fair market value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and Section 4.04,

(1) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (x) the Company's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) and BBB- (or the equivalent) by Moody's Investors Service, Inc. (or any successor to the rating agency business thereof) and Standard & Poor's Ratings Group (or any successor to the rating agency business thereof), respectively.

"Issue Date" means June 7, 2001.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Melody" means L.J. Melody & Company, a Texas corporation.

"Melody Loan Arbitrage Facility" means a credit facility provided to Melody by any depository bank in which Melody deposits payments relating to mortgage loans for

which Melody is servicer prior to distribution of such payments to or for the benefit of the holders of such loans, so long as (1) Melody applies all proceeds of loans made under such credit facility to purchase Temporary Cash Investments and (2) all such Temporary Cash Investments purchased by Melody with the proceeds of loans thereunder (and proceeds thereof and distributions thereon)are pledged to the depository bank providing such credit facility, and such bank has a first priority perfected security interest therein, to secure loans made under such credit facility.

"Melody Mortgage Warehousing Facility" means the credit facility provided by Residential Funding Corporation ("RFC") or any substantially similar facility extended to any Mortgage Banking Subsidiary in connection with any Mortgage Banking Activities, pursuant to which RFC or another lender makes loans to Melody, the proceeds of which loans are applied by Melody (or any Mortgage Banking Subsidiary) to fund commercial mortgage loans originated and owned by Melody (or any Mortgage Banking Subsidiary) subject to an unconditional, irrevocable (subject to customary exceptions) commitment to purchase such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any other quasi-federal governmental entity so long as loans made by RFC or such other lender to Melody (or any Mortgage Banking Subsidiary) thereunder are secured by a pledge of commercial mortgage loans made by Melody (or any Mortgage Banking Subsidiary) with the proceeds of such loans and RFC or such other lender has a perfected first priority security interest therein, to secure loans made under such credit facility.

"Melody Permitted Indebtedness" means Indebtedness of Melody under the Melody Loan Arbitrage Facility, the Melody Mortgage Warehousing Facility and the Melody Working Capital Facility and Indebtedness of any Mortgage Banking Subsidiary under the Melody Mortgage Warehousing Facility that is, in all cases, non-recourse to the Company or any of its other Subsidiaries.

"Melody Working Capital Facility" means a credit facility provided by a financial institution to Melody, so long as (1) the proceeds of loans thereunder are applied only to provide working capital to Melody, (2) loans under such credit facility are unsecured, and (3) the aggregate principal amount of loans outstanding under such credit facility at no time exceeds $1.0 million.

"Merger" means the merger of BLUM CB Corp. with and into CB Richard Ellis Services pursuant to the Merger Agreement.

"Merger Agreement" means the amended and restated agreement and plan of merger dated as of May 31, 2001, among CB Richard Ellis Services, Parent and Merger Sub, as such agreement may be further amended so long as such amendments are not adverse to Holders, and all other documents entered into or delivered in connection with the Merger Agreement.

"Merger Date" means the date the Merger is consummated.

"Mortgage Banking Activities" means the origination by a Mortgage Banking Subsidiary of mortgage loans in respect of commercial and multi-family residential real property, and the sale or assignment of such mortgage loans and the related mortgages to another person (other than the Company or any of its Subsidiaries) within sixty days after the origination thereof; provided, --------
however, that in each case prior to origination of any mortgage loan, the
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Company or a Mortgage Banking Subsidiary, as the case may be, shall have entered into a legally binding and enforceable purchase and sale agreement with respect to such mortgage loan with a person that purchases such loans in the ordinary course of business.

"Mortgage Banking Subsidiary" means Melody and its subsidiaries that are engaged in Mortgage Banking Activities.

"Net Available Cash" from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other

consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other noncash form), in each case net of

(1) all legal, accounting, investment banking and brokerage fees, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Disposition,

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with

respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition,

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and

(4) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Obligations" means with respect to any Indebtedness all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements, and other amounts payable pursuant to the documentation governing such Indebtedness.

"Offering Circular" means the Confidential Offering Circular dated May 31, 2001, as supplemented by the Supplement dated June 6, 2001, relating to the Securities.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, the Chairman of the Americas, any Vice President, the Chief Financial Officer, the Treasurer or the Secretary of the Company.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

"Parent" means CBRE Holding, Inc.

"Parent Senior Notes" means Parent's 16% Senior Notes Due 2011.

"Parent Guaranty" means the Guarantee by Parent of the Company's obligations with respect to the Securities contained in this Indenture.

"Permitted Co-investment" means any Investment by any Restricted Subsidiary which is formed solely to acquire up to 5% of the Capital Stock of any Person (a "Co- investment Entity") managed by such Restricted Subsidiary whose principal purpose is to invest, directly or indirectly, in commercial real estate; provided, however, that such Restricted Subsidiary is acting in such
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capacity pursuant to an arrangement substantially similar to arrangements entered into by Restricted Subsidiaries involved in such activities prior to the Issue Date.

"Permitted Holders" means (1) RCBA and Freeman Spogli, (2) any member of senior management of the Company on the Merger Date and (3) DLJ Investment Partners II, L.P. and its affiliates.

"Permitted Investment" means an Investment by the Company or any Restricted Subsidiary in

(1) the Company, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; provided,
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however, that (A) the primary business of such Restricted Subsidiary is a
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Related Business and (B) such Restricted Subsidiary is not restricted from making dividends or similar distributions by contract, operation of law or otherwise;

(2) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; provided, however, that such Person's primary business is a Related
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Business;

(3) cash and Temporary Cash Investments;

(4) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however,
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that such trade terms may include such concessionary trade terms as the Company or any

such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, travel, moving and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) loans or advances to employees or independent contractors made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary;

(7) loans or advances to clients and vendors made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary in an aggregate amount outstanding at any time not exceeding $1.5 million;

(8) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments;

(9) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition as permitted pursuant to Section 4.06;

(10) any Person where such Investment was acquired by the Company or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(11) Hedging Obligations entered into in the ordinary course of the Company's or any Restricted Subsidiary's business and not for the purpose of speculation;

(12) any Person to the extent such Investment replaces or refinances an Investment in such Person existing on the Issue Date or on the Merger Date in an

amount not exceeding the amount of the Investment being replaced or refinanced; provided, however, the new Investment is on terms and
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conditions no less favorable than the Investment being renewed or replaced;

(13) Investments in insurance on the life of any participant in any deferred compensation plan of the Company made in the ordinary course of business consistent with past practices of the Company;

(14) Permitted Co-investments in an aggregate amount not exceeding (a) for the period from the day after the Merger Date to December 31, 2001, the excess of $20.0 million over the aggregate amount of all such Investments made in the period from January 1, 2001 to the Merger Date, and (b) $20.0 million in each calendar year thereafter; provided, however, that such
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Investments made in Co-investment Entities investing in countries that are not members of the Organization for Economic Co-operation and Development

shall not exceed $5.0 million in any calendar year; provided further, however, that (x) at the time of such Investment, no Default shall have occurred and be continuing (or result therefrom)and (y) immediately after giving pro forma effect to such Investment, the Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a); and

(15) so long as no Default shall have occurred and be continuing (or result therefrom), any Person in an aggregate amount which, when added together with the amount of all the Investments made pursuant to this clause (15) which at such time have not been repaid through repayments of loans or advances or other transfers of assets, does not exceed $15.0 million (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or

dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a Security means the principal of the Security plus the premium, if any, payable on the Security which is due or overdue or is to become due at the relevant time.

"Pro Forma Cost Savings" means, with respect to any period, the reduction in costs that were

(1) directly attributable to an asset acquisition and calculated on a basis that is consistent with Regulation S-X under the Securities Act in effect and applied as of the Issue Date, or

(2) implemented by the business that was the subject of any such asset acquisition within six months of the date of the asset acquisition and that are supportable and quantifiable by the underlying accounting records of such business,

as if, in the case of each of clause (1) and (2), all such reductions in costs had been effected as of the beginning of such period.

"Public Equity Offering" means an underwritten primary public offering of common stock of the Company pursuant to an effective registration statement under the Securities Act.

"Purchase Money Indebtedness" means Indebtedness (including Capital Lease Obligations) (1) consisting of the deferred purchase price of property, conditional sale obligations, obligations under any title retention agreement, other purchase money obligations and obligations in respect of industrial revenue bonds or similar Indebtedness, in each case where the maturity of such Indebtedness does not exceed the anticipated useful life of the asset being financed, and (2) Incurred to finance the acquisition by the Company or a Restricted Subsidiary of such asset, including additions and improvements; provided, however, that any Lien arising in connection with any such Indebtedness shall be limited to the specified asset being financed or, in the case of real property or fixtures, including additions and improvements, the real property on which such asset is attached; provided further, however, that such Indebtedness is Incurred within 180 days after such acquisition of such assets by the Company or any Restricted Subsidiary.

"Rating Agencies" means Standard and Poor's Ratings Group and Moody's Investors Service, Inc. or any successor to the respective rating agency business thereof.

"RCBA" means (1) RCBA Strategic Partners, L.P., (2) BLUM Capital Partners, L.P. and its successors and (3) any investment fund that is affiliated with BLUM Capital Partners, L.P. or its successors.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that Refinances any Indebtedness of the Company or any Restricted Subsidiary existing on the Merger Date or Incurred in compliance with this Indenture, including Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(1) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

(2) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced, and

(3) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced;

provided further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of the Company or (B) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any business in which the Company was engaged on the Merger Date and any business related, ancillary or complementary to any business of the Company in which the Company was engaged on the Merger Date.

"Representative" means, with respect to a Person, any trustee, agent or representative (if any) for an issue of Senior Indebtedness of such Person.

"Restricted Payment" with respect to any Person means

(1) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and dividends or distributions payable solely to the Company or a Restricted Subsidiary, and other than pro rata dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation)),

(2) the purchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company held by any Person or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Company (other than a Restricted Subsidiary), including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Company that is not Disqualified Stock),

(3) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of such Person (other than the purchase, repurchase, or other acquisition of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition) or

(4) the making of any Investment (other than a Permitted Investment) in any Person.

"Restricted Subsidiary" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"Revolving Credit Facility" means the revolving credit facility contained in the Credit Agreement and any

other facility or financing arrangement that Refinances, in whole or in part, and such revolving credit facility.

"Sale/Leaseback Transaction" means an arrangement relating to property owned by the Company or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or a Restricted Subsidiary leases it from such Person.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Secured Indebtedness" means any Indebtedness of the Company secured by a Lien.

"Securities" means the Securities issued under this Indenture.

"Senior Indebtedness" means, with respect to a Person,

(1) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred, and

(2) accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable

unless, in the case of clauses (1) and (2), in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are subordinate or pari passu in right of payment to the
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Securities or the Subsidiary Guaranty of such Person, as the case may be; provided, however, that Senior Indebtedness shall not include:
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(1) any obligation of such Person to any Subsidiary;

(2) any liability for Federal, state, local or other taxes owed or owing by such Person,

(3) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities),

(4) any Indebtedness of such Person (and any accrued and unpaid interest in respect thereof) which is subordinate or junior in any respect to any other Indebtedness or other obligation of such Person or

(5) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of this Indenture provided, however, that such
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Indebtedness shall be deemed not to have been Incurred in violation of the Indenture for purposes of this clause (5) if (x) the holders of such Indebtedness or their representative or the Company shall have furnished to the Trustee an opinion of recognized independent legal counsel, unqualified in all material respects, addressed to the Trustee (which legal counsel may, as to matters of fact, rely upon an Officers' Certificate) to the effect that the Incurrence of such Indebtedness does not violate the provisions of the Indenture or (y) such Indebtedness consists of Bank Indebtedness, and the holders of such Indebtedness or their agent or representative (1) had no actual knowledge at the time of the Incurrence that the Incurrence of such Indebtedness violated the Indenture and (2) shall have received an Officers' Certificate to the effect that the Incurrence of such Indebtedness does not violate the provisions of the Indenture.

"Senior Subordinated Indebtedness" means, with respect to a Person, the Securities (in the case of the Company, a Guaranty (in the case of a Guarantor) and any other Indebtedness of such Person that specifically provides that such Indebtedness is to rank pari passu with the Securities or such Guaranty, as the case may be; in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of such Person which is not Senior Indebtedness of such Person.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subordinated Obligation" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Securities or a Guaranty of such Person, as the case may be, pursuant to a written agreement to that effect.

"Subsidiary" means, in respect of any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person.

"Subsidiary Guarantor" means each Subsidiary of the Company that executes the Indenture as a guarantor or a Guaranty Agreement on the Merger Date and each other Subsidiary of the Company that thereafter guarantees the Securities pursuant to the terms of the Indenture.

"Subsidiary Guaranty" means a Guarantee by a Subsidiary Guarantor of the Company's obligations with respect to the Securities.

"Temporary Cash Investments" means any of the following:

(1) any investment in direct obligations of the United States of America or any agency thereof or obligations guaranteed by the United States of America or any agency thereof,

(2) investments in time deposit accounts, bankers' acceptances, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any State thereof or any foreign country recognized by the United States of America, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50,000,000

(or the foreign currency equivalent thereof) and has outstanding debt that is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money- market fund sponsored by a registered broker-dealer or mutual fund distributor,

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above and clauses (4) and (5) below entered into with a bank meeting the qualifications described in clause (2) above,

(4) investments in commercial paper, maturing not more than one year from the date of creation thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Group,

(5) investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by Standard & Poor's Ratings Group or "A" by Moody's Investors Service, Inc., and

(6) other short-term investments utilized by Foreign Restricted Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

"Term Loan Facility" means the term loan facilities contained in the Credit Agreement and any other facilities or financing arrangements that Refinances in whole or in part any such term loan facility.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C.(S).(S). ------ 77aaa-77bbbb) as in effect on the date of this Indenture.

"Transactions" shall mean, collectively, the following transactions to occur on or prior to the Merger Date: (a) the consummation of the Merger, (b) the execution and delivery of the Credit Agreement and the initial

borrowings thereunder, (c) the execution and delivery of the Indenture relating to the Parent Senior Notes and the issuance of the Parent Senior Notes, (d) the closing of the tender offer for and the receipt of the requisite consents in connection with the consent solicitation in respect of CB Richard Ellis

Services' existing 8 7/8% Senior Subordinated Notes Due 2006, (e) the Cash Equity Contribution and (f) the payment of all fees and expenses then due and owing that are required to be paid on or prior to the Merger Date in connection with the offering of the Securities.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the
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Subsidiary to be so designated has total assets of $1,000 or less or (B) if such Subsidiary has assets greater than $1,000, such designation would be permitted under Section 4.04. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately
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after giving effect to such designation (A) the Company could Incur $1.00 of additional Indebtedness under Section 4.03(a) and (B) no Default shall have occurred and be continuing. Any such designation by the Board of Directors shall be evidenced to

the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Dollar Equivalent" means with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" on the date two Business Days prior to such determination.

Except as described in Section 4.03, whenever it is necessary to determine whether the Company has complied with any covenant in this Indenture or a Default has occurred and an amount is expressed in a currency other than U.S. dollars, such amount will be treated as the U.S. Dollar Equivalent determined as of the date such amount is initially determined in such currency.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or one or more Wholly Owned Subsidiaries.

SECTION 1.02. Other Definitions.

Term	Defined in Section

"Affiliate Transaction"	4.08
"Bankruptcy Law"	6.01
"Blockage Notice"	10.03
"Change of Control Offer"	4.09(b)
"covenant defeasance option"	8.01(b)
"Custodian"	6.01
"Event of Default"	6.01
"legal defeasance option"	8.01(b)
"Legal Holiday"	13.08
"Offer"	4.07(b)
"Offer Amount"	4.07(c)(2)
"Offer Period"	4.07(c)(2)
"pay the Securities"	10.03
"Paying Agent"	2.03
"Payment Blockage Period"	10.03
"Purchase Date"	4.07(c)(1)
"Registrar"	2.03
"Successor Company"	5.01

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. This Indenture is subject to the mandatory provisions of the TIA which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"Commission" means the SEC;

"indenture securities" means the Securities and each Guaranty;

"indenture security holder" means a Securityholder;

"indenture to be qualified" means this Indenture and each Guaranty;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the indenture securities means the Company, Parent and each Subsidiary Guarantor and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another

statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(7) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater; and

(8) all references to the date the Securities were originally issued shall refer to the Issue Date.

ARTICLE 2

The Securities

SECTION 2.01. Form and Dating. The Exchange Securities, the Private Exchange Securities and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A, which is hereby incorporated in and

expressly made a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). Each Security shall be dated the date of its authentication. The terms of the Securities set forth in the Appendix and Exhibit A are part of the terms of this Indenture.

SECTION 2.02. Execution and Authentication. One Officer shall sign the Securities for the Company by manual or facsimile signature.

If an Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

A Security shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Security. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Securities. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.03. Registrar and Paying Agent. The Company shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Securities may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any Wholly Owned Subsidiary incorporated or organized within The United States of America may act as Paying Agent, Registrar, co-registrar or transfer agent.

The Company initially appoints the Trustee as Registrar and Paying Agent in connection with the Securities.

SECTION 2.04. Paying Agent To Hold Money in Trust. Prior to each due date of the principal and interest on any Security, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal and interest when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Securityholders or the Trustee all money held by the Paying Agent for the payment of principal of or interest on the Securities and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.05. Securityholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Securityholders. If the Trustee is not the Registrar, the Company shall furnish to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders.

SECTION 2.06. Transfer and Exchange. The Securities shall be issued in registered form and shall be transferable only upon the surrender of a Security for registration of transfer. When a Security is presented to the Registrar or a co-registrar with a request to register a transfer, the Registrar

shall register the transfer as requested if the requirements of this Indenture and Section 8-401(a) of the Uniform Commercial Code are met. When Securities are presented to the Registrar or a co- registrar with a request to exchange them for an equal principal amount of Securities of other denominations, the Registrar shall make the exchange as requested if the same requirements are met.

SECTION 2.07. Replacement Securities. If a mutilated Security is surrendered to the Registrar or if the Holder of a Security claims that the Security has been lost,

destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met and the Holder satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Security is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Security.

Every replacement Security is an additional obligation of the Company.

SECTION 2.08. Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. A Security does not cease to be outstanding because the Company or an Affiliate of the Company holds the Security.

If a Security is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Security is held by a bona fide purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Securities (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Securityholders on that date pursuant to the terms of this Indenture, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.09. Temporary Securities. Until definitive Securities are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Securities and deliver them in exchange for temporary Securities.

SECTION 2.10. Cancellation. The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and destroy (subject to the record retention requirements of the Exchange Act) all Securities surrendered for registration of transfer, exchange, payment or cancellation and deliver a certificate of such destruction to the Company unless the Company directs the Trustee to deliver canceled Securities to the Company. The Company may not issue new Securities to replace Securities it has redeemed, paid or delivered to the Trustee for cancellation.

SECTION 2.11. Defaulted Interest. If the Company defaults in a payment of interest on the Securities, the Company shall pay defaulted interest (plus interest on such defaulted interest to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the persons who are Securityholders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail to each Securityholder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.12. CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made

as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers.

SECTION 2.13. Issuance of Additional Securities. The Company shall be entitled, subject to its compliance with Section 4.03, to issue Additional Securities under this Indenture which shall have identical terms as the Initial Securities issued on the Issue Date, other than with respect to the date of issuance and issue price. The Initial Securities issued on the Issue Date, any Additional Securities and all Exchange Securities or Private Exchange Securities issued in exchange therefor shall be treated as a single class for all purposes under this Indenture.

With respect to any Additional Securities, the Company shall set forth in a resolution of the Board of Directors and an Officers' Certificate, a copy of each which shall be delivered to the Trustee, the following information:

(1) the aggregate principal amount of such Additional Securities to be authenticated and delivered pursuant to this Indenture;

(2) the issue price, the issue date and the CUSIP number of such Additional Securities; provided, however, that no Additional Securities may be issued at a price that would cause such Additional Securities to have "original issue discount" within the meaning of Section 1273 of the Code (unless then applicable regulations under the Code would treat the outstanding Securities and the Additional Securities as part of the same issue); and

(3) whether such Additional Securities shall be Transfer Restricted Securities and issued in the form of Initial Securities as set forth in the Appendix to this Indenture or shall be issued in the form of Exchange Securities as set forth in Exhibit A.

ARTICLE 3

Redemption

SECTION 3.01. Notices to Trustee. If the Company elects to redeem Securities pursuant to paragraph 5 of the Securities or is required to redeem Securities pursuant to paragraph 6 of the Securities, it shall notify the Trustee in writing of the redemption date, the principal amount of Securities to be redeemed and the paragraph of the Securities pursuant to which the redemption will occur.

If the Company is required to redeem Securities pursuant to paragraph 6 of the Securities, it may reduce the accreted value of Securities required to be redeemed to the extent it is permitted a credit by the terms of the Securities and it notifies the Trustee of the amount of the credit and the basis for it. If the reduction is based on a credit for redeemed or canceled Securities that the Company has not previously delivered to the Trustee for cancellation, it shall deliver such Securities with the notice.

The Company shall give each notice to the Trustee provided for in this Section at least 60 days before the redemption date unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from the Company to the effect that such redemption will comply with the conditions herein.

SECTION 3.02. Selection of Securities To Be Redeemed. If fewer than all the Securities are to be redeemed, the Trustee shall select the Securities to be redeemed pro rata or by lot or by a method that complies with applicable legal and securities exchange requirements, if any, and that the Trustee in its sole discretion shall deem to be fair and appropriate and in accordance with methods generally used at the time of selection by fiduciaries in similar circumstances. The Trustee shall make the selection from outstanding Securities not previously called for redemption. The Trustee may select for redemption portions of the principal of Securities that have denominations larger than $1,000. Securities and portions of them the Trustee selects shall be in principal amounts of $1,000 or a whole multiple of $1,000. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Company promptly of the Securities or portions of Securities to be redeemed.

SECTION 3.03. Notice of Redemption. At least 30 days but not more

than 60 days before a date for redemption of Securities (except in the case of a redemption pursuant to paragraph 6 of the Securities, in which case, the notice shall be mailed within the time period specified in such paragraph), the Company shall mail a notice of redemption by first-class mail to each Holder of Securities to be redeemed at such Holder's registered address.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price;

(3) the name and address of the Paying Agent;

(4) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Securities are to be redeemed, the identification and principal amounts of the particular Securities to be redeemed;

(6) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Securities (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Securities pursuant to which the Securities called for redemption are being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Securities.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Trustee with the information required by this Section.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Securities shall be paid at the redemption price stated in the notice, plus accrued interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date). Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder. Once notice of a redemption pursuant to paragraph 6 of the Securities is mailed, the Company shall be entitled to redeem the Securities pursuant to such paragraph at the redemption price provided for therein notwithstanding the occurrence of an Event of Default after the mailing date of such notice.

SECTION 3.05. Deposit of Redemption Price. Prior to the redemption date, the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption which have been delivered by the Company to the Trustee for cancellation.

SECTION 3.06. Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder (at the Company's expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

ARTICLE 4

Covenants

Following the first day that (a) the ratings assigned to the Securities by both of the Rating Agencies are Investment Grade Ratings and (b) no Default has occurred and is continuing under the Indenture (and notwithstanding that the Company may later cease to have an Investment Grade Rating from either or both Rating Agencies or default under this Indenture), the

Company and its Restricted Subsidiaries shall not be subject to Sections 4.03, 4.04, 4.05, 4.06, 4.07 and 4.08.

SECTION 4.01. Payment of Securities. The Company shall promptly pay the principal of and interest on the Securities on the dates and in the manner provided in the Securities and in this Indenture. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Securityholders on that date pursuant to the terms of this Indenture.

The Company shall pay interest on overdue principal at the rate specified therefor in the Securities, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02. SEC Reports. Notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall file with the SEC and provide the Trustee and Securityholders within 15 days after it files them with the SEC with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed with the SEC at the times specified for the filings of such information, documents and reports under such Sections provided, however, that the

Company shall not be so obligated to file such reports with the SEC if the SEC does not permit such filing, in which event the Company will make available such information to the Trustee and Securityholders within 15 days after the time the Company would be required to file such information with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act; provided further, however, that (a) so long as Parent is the Guarantor of the Securities, the reports, information and other documents required to be filed and provided as described hereunder may, at the Company's option, be filed by and be those of Parent rather than the Company and (b) in the event that Parent conducts any business or holds any significant assets other than the capital stock of the Company at the time of filing and providing any such report, information or other document containing financial statements of Parent, Parent shall include in such report, information or other document summarized financial information (as defined in Rule 1-02(bb)of Regulation S-X promulgated by the SEC) with respect to the Company.

In addition, the Company shall furnish to the Holder of the Securities and to prospective investors, upon the requests of such Holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long any Securities are not freely transferable under the Securities Act. The Company also shall comply with the other provisions of TIA (S). 314(a).

SECTION 4.03. Limitation on Indebtedness. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company and its Restricted Subsidiaries shall be entitled to Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto, no Default has occurred and is continuing and the Consolidated Coverage Ratio exceeds 2.25 to 1 if such Indebtedness is Incurred prior to June 1, 2003 or 2.5 to 1 if such Indebtedness is Incurred thereafter.

(b) Notwithstanding the foregoing paragraph (a), the Company and the Restricted Subsidiaries shall be entitled to Incur any or all of the following Indebtedness:

(1) Indebtedness Incurred by the Company pursuant to any Revolving Credit Facility; provided, however, that, immediately after giving effect to any such Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (1) and then outstanding does not exceed the greater of (A) $100.0 million less the sum of all principal

payments with respect to such Indebtedness pursuant to Section 4.06(a)(3)(A) and (B) 80% of the book value of the accounts receivable of the Company and its Restricted Subsidiaries;

(2) Indebtedness Incurred by the Company pursuant to any Term Loan Facility; provided, however, that, after giving effect to any such

Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (2) and then outstanding does not exceed $225.0 million less the aggregate sum of all principal payments actually made from time to time after the Issue Date with respect to such Indebtedness (other than principal payments made from Refinancings thereof);

(3) Indebtedness owed to and held by the Company or a Restricted Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon and (B) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Securities;

(4) the Securities and the Exchange Securities (other than any Additional Securities);

(5) Indebtedness of CB Richard Ellis Services and its Subsidiaries outstanding on both the Issue Date and the Merger Date (after giving effect to the Transactions) (other than Indebtedness described in clause (1), (2), (3) or (4) of this Section 4.03(b));

(6) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by the Company (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary or was acquired by the Company); provided, however, that on the date of such acquisition and after giving effect thereto, the aggregate principal amount of all Indebtedness Incurred

pursuant to this clause (6) and then outstanding does not exceed $10.0 million;

(7) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to Section 4.03(a) or pursuant to clause (4), (5) or (6) of this Section 4.03(b) or this clause (7); provided, however, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (6), such Refinancing Indebtedness shall be Incurred only by such Subsidiary;

(8) Hedging Obligations entered into in the ordinary course of business and not for the purpose of speculation;

(9) obligations in respect of letters of credit, performance, bid and surety bonds, completion guarantees, payment obligations in connection with self-insurance or similar requirements provided by the Company or any Restricted Subsidiary in the ordinary course of business;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(11) any Guarantee (including the Subsidiary Guaranties) by the Company or a Restricted Subsidiary of Indebtedness or other obligations of the Company or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness by the Company or such Restricted Subsidiary is permitted under the terms of this Indenture (other than Indebtedness Incurred pursuant to clause (6) above);

(12) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary; provided that (A) such Indebtedness is not reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote or footnotes to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for

purposes of this clause (A)) and (B) in the case of a disposition, the maximum liability in respect of such Indebtedness shall at no time exceed

the gross proceeds including non-cash proceeds (the fair market value of such non-cash proceeds being determined at the time received and without giving effect to any subsequent changes in value) actually received by the Company or such Restricted Subsidiary in connection with such disposition;

(13) Melody Permitted Indebtedness;

(14) Purchase Money Indebtedness Incurred to finance the acquisition by the Company or any Restricted Subsidiary of any fixed or capital assets in the ordinary course of business in an aggregate principal amount which, when taken together with all other Indebtedness Incurred pursuant to this clause (14) and then outstanding, does not exceed $10.0 million;

(15) Indebtedness of Foreign Restricted Subsidiaries in an aggregate principal amount which, when taken together with all other Indebtedness of Foreign Restricted Subsidiaries Incurred pursuant to this clause (15) and then outstanding, does not exceed $15.0 million; and

(16) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount which, when taken together with all other Indebtedness of the Company and the Restricted Subsidiaries outstanding on the date of such Incurrence (other than Indebtedness permitted by clauses (1) through (15) of this Section 4.03(b) or Section 4.03(a)), does not exceed $30.0 million.

(c) Notwithstanding the foregoing, none of the Company or any Restricted Subsidiary shall Incur any Indebtedness pursuant to Section 4.03(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Company or any Restricted Subsidiary unless such Indebtedness shall be subordinated to the Securities or the applicable Subsidiary Guaranty to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this Section 4.03, (1) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described herein, the Company, in its sole discretion, shall classify such item of Indebtedness at

the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses (provided that any Indebtedness originally classified as Incurred pursuant to clause (b)(16) above may later be reclassified as having been Incurred pursuant to paragraph (a) above to the extent that such reclassified Indebtedness could be Incurred pursuant to paragraph (a) above at the time of such reclassification) and (2) the Company shall be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described herein.

(e) Notwithstanding Section 4.03(a) or 4.03(b), none of the Company, Parent and any Restricted Subsidiary shall Incur (1) any Indebtedness if such Indebtedness is subordinate or junior in ranking in any respect to any Senior Indebtedness of such Person, unless such Indebtedness is Senior Subordinated Indebtedness of such Person or is expressly subordinated in right of payment to Senior Subordinated Indebtedness of such Person or (2) any Secured Indebtedness that is not Senior Indebtedness of such Person unless contemporaneously therewith such Person makes effective provision to secure the Securities or applicable Guaranty equally and ratably with such Secured Indebtedness for so long as such Secured Indebtedness is secured by a Lien.

(f) For purposes of determining compliance with any U.S. dollar restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the U.S. Dollar Equivalent determined on the date of the Incurrence of such Indebtedness, provided, however, that if any such Indebtedness denominated in a
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different currency is subject to a Currency Agreement with respect to U.S. dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollars will be as provided in such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the U.S. Dollar Equivalent of the Indebtedness Refinanced, except to the extent that (1) such U.S. Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence, and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the U.S. Dollar Equivalent of such excess will be determined on the date such Refinancing Indebtedness is Incurred.

SECTION 4.04. Limitation on Restricted Payments. (a) The Company
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shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Company or such

Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Company is not entitled to Incur an additional $1.00 of Indebtedness under Section 4.03(a); or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the Merger Date to the end of the most recent fiscal quarter ended for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus
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(B) 100% of the aggregate Net Cash Proceeds received by the Company from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to the Issue Date (other than an issuance or sale to a Subsidiary of the Company and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) and 100% of any cash capital contribution received by the Company from its shareholders subsequent to the Issue Date; plus
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(C) the amount by which Indebtedness of the Company is reduced on the Company's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Issue Date of any Indebtedness of the Company convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the fair value of any other property, distributed by the Company upon such conversion or exchange); plus
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(D) an amount equal to the sum of (x) the net reduction in the Investments (other than Permitted Investments) made by the Company or any Restricted Subsidiary in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any Restricted Subsidiary and (y) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that the foregoing sum shall
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not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(b) The provisions of Section 4.04(a) shall not prohibit:

(1) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Company from its shareholders; provided, however, that (A) such Restricted Payment shall be
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excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under Section 4.04(a)(3)(B);

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Company or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness which is permitted to be Incurred pursuant

to Section 4.03; provided, however, that such purchase, repurchase,

redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(3) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this Section 4.04; provided, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(4) repurchases of Capital Stock of Parent required under the Company's 401(k) plan as it existed as of the Merger Date; provided, however, that such repurchases shall be excluded from the calculation of the amount of Restricted Payments;

(5) so long as no Default has occurred and is continuing, the repurchase or other acquisition of shares of Capital Stock of Parent or the Company or any of the Company's Subsidiaries from employees (including substantially full-time independent contractors), former employees, directors, former directors or consultants of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors, former directors or consultants), pursuant to the terms of the agreements (including employment agreements)or plans (or amendments thereto)approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; provided, however, that the aggregate amount of such repurchases and other acquisitions shall not exceed the sum of (A) $5.0 million, (B) the Net Cash Proceeds from the sale of Capital Stock to members of management, consultants or directors of the Company and its Subsidiaries that occurs after the Merger Date (to the extent the Net Cash Proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (3)(B) of paragraph (a) above) and (C) the cash proceeds of any "key man" life insurance policies that are used to make such repurchases; provided further, however, that (x) such repurchases and other acquisitions shall be excluded in the calculation of the amount of Restricted Payments and (y) the Net Cash Proceeds from such sale shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(6) Investments made by Melody in connection with the Melody Loan Arbitrage Facility or the Melody Mortgage Warehousing Facility; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments;

(7) payments required pursuant to the terms of the Merger Agreement to consummate the Merger; provided, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(8) dividends to Parent to be used by Parent solely to pay its franchise taxes and other fees required to maintain its corporate existence and to pay for general corporate and overhead expenses (including salaries and other compensation of the employees)incurred by Parent in the ordinary course of its business; provided, however, that such dividends shall not exceed $1.0 million in any calendar year; provided further, however, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;

(9) payments to Parent in respect of Federal, state and local taxes directly attributable to (or arising as a result of) the operations of the Company and its consolidated Subsidiaries; provided, however, that the amount of such payments in any fiscal year do not exceed the amount that the Company and its consolidated Subsidiaries would be required to pay in respect of Federal, state and local taxes for such fiscal year were the Company to pay such taxes as a stand-alone taxpayer (whether or not all such amounts are actually used by Parent for such purposes); provided further, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments; and

(10) Restricted Payments in an aggregate amount which, when taken together with all Restricted Payments made pursuant to this clause (10)

which have not been repaid, does not exceed $20.0 million; provided, however, that (A) at the time of such Restricted Payments, no Default shall have occurred and be continuing (or result therefrom) and (B) such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments.

SECTION 4.05. Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Company shall not, and shall not permit any Restricted Subsidiary

to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on its Capital Stock to the Company or a Restricted Subsidiary or pay any Indebtedness owed to the Company, (b) make any loans or advances to the Company or (c) transfer any of its property or assets to the Company, except:

(1) with respect to clauses (a), (b) and (c),

(A) any encumbrance or restriction pursuant to an agreement of CB Richard Ellis Services or any of its Subsidiaries in effect at or entered into on the Issue Date or, in the case of the Credit Agreement, as in effect on the Merger Date;

(B) any encumbrance or restriction contained in the terms of any Indebtedness Incurred pursuant to Section 4.03(b)(15) or any agreement pursuant to which such Indebtedness was issued if (x) either (i) the encumbrance or restriction applies only in the event of and during the continuance of a payment default or a default with respect to a financial covenant contained in such Indebtedness or agreement or (ii) the Company determines at the time any such Indebtedness is Incurred (and at the time of any modification of the terms of any such encumbrance or restriction) that any such encumbrance or restriction will not materially affect the Company's ability to make principal or interest payments on the Securities and (y) the encumbrance or restriction is not materially more disadvantageous to the Holders than is customary in comparable financings or agreements (as determined by the Board of Directors in good faith);

(C) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Company) and outstanding on such date;

(D) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness

Incurred pursuant to an agreement referred to in Section 4.05(1) (A), (B) or (C) or this clause (D) or contained in any amendment to an agreement referred to in Section 4.05(1)(A), (B) or (C) or this clause (D); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such refinancing agreement or amendment are no less favorable to the Securityholders than encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements; and

(E) any encumbrance or restriction pursuant to applicable law; and

(2) with respect to clause (c) only,

(A) any such encumbrance or restriction consisting of customary non-assignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(B) restrictions contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such restrictions restrict the transfer of the property subject to such security agreements or mortgages;

(C) restrictions on the transfer of assets subject to any Lien

permitted under this Indenture imposed by the holder of such Lien; and

(D) any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition.

SECTION 4.06. Limitation on Sales of Assets and Subsidiary Stock. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition unless (1) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the fair market value (including as to the value of all non-cash consideration), as determined in good faith by the Board of Directors, of the shares and assets subject to such Asset Disposition; (2) at least 80% of the consideration thereof received by the Company or such Restricted Subsidiary is in

the form of cash or cash equivalents; and (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be) (A) first, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness of the Company or a Subsidiary Guarantor or Indebtedness (other than any Disqualified Stock) of any other Wholly Owned Subsidiary (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of such Net Available Cash after application in accordance with clause (A), to the extent the Company elects, to acquire Additional Assets within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer to the holders of the Securities (and to holders of other Senior Subordinated Indebtedness of the Company designated by the Company) to purchase Securities (and such other Senior Subordinated Indebtedness of the Company) pursuant to and subject to the conditions of Section 4.06(b); provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Company or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this Section 4.06, the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash in accordance with this Section 4.06(a) except to the extent that the aggregate Net Available Cash from all Asset Dispositions which is not applied in accordance with this Section 4.06(a) exceeds $10.0 million. Pending application of Net Available Cash pursuant to this Section 4.06(a), such Net Available Cash shall be invested in Temporary Cash Investments or applied to temporarily reduce revolving credit indebtedness.

For the purposes of this Section 4.06(a), the following are deemed to be cash or cash equivalents: (1) the assumption of Indebtedness of the Company or any Restricted Subsidiary and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition and (2) securities received by the Company or any Restricted

Subsidiary from the transferee that are promptly converted by the Company or such Restricted Subsidiary into cash.

(b) In the event of an Asset Disposition that requires the purchase of Securities (and other Senior Subordinated Indebtedness of the Company) pursuant to Section 4.06(a)(3)(C), the Company shall purchase Securities tendered pursuant to an offer by the Company for the Securities (and such other Senior Subordinated Indebtedness of the Company) (the "Offer") at a purchase price of 100% of their principal amount (or, in the event such other Senior Subordinated Indebtedness of the Company was issued with significant original issue discount, 100% of the accreted value thereof), without premium, plus accrued but unpaid interest (or, in respect of such other Senior Subordinated Indebtedness, such lesser price, if any, as may be provided for by the terms of such Senior Subordinated Indebtedness of the Company) in accordance with the procedures (including prorating in the event of over-subscription) set forth in Section 4.06(c). If the aggregate purchase price of Securities (and any other Senior Subordinated Indebtedness of the Company) tendered pursuant to the Offer exceeds the Net Available Cash allotted to their purchase, the Company shall select the Securities and other Senior Subordinated Indebtedness to be purchased on a pro rata basis but in round denominations, which in the case of the

Securities will be denominations of $1,000 principal amount or multiples thereof. The Company shall not be required to make an Offer to purchase Securities (and other Senior Subordinated Indebtedness of the Company) pursuant to this Section 4.06 if the Net Available Cash available therefor is less than $10.0 million (which lesser amount shall be carried forward for purposes of determining whether such an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) (1) Promptly, and in any event within 10 days after the Company becomes obligated to make an Offer, the Company shall deliver to the Trustee and send, by first-class mail to each Holder, a written notice stating that the Holder may elect to have his Securities purchased by the Company either in whole or in part (subject to prorating as described in Section 4.06(b) in the event the Offer is oversubscribed) in integral multiples of $1,000 of principal amount, at the applicable purchase price. The notice shall specify a purchase date not less than 30 days nor more than 60 days after the date of such notice (the "Purchase Date") and shall contain such information concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed decision (which at a minimum will include (A) the most recently filed Annual

Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Dispositions otherwise described in the offering materials (or corresponding successor reports), (B) a description of material developments in the Company's business subsequent to the date of the latest of such Reports, and (C) if material, appropriate pro forma financial information) and all instructions and materials necessary to tender Securities pursuant to the Offer, together with the information contained in clause (3).

(2) Not later than the date upon which written notice of an Offer is delivered to the Trustee as provided below, the Company shall deliver to the Trustee an Officers' Certificate as to (A) the amount of the Offer (the "Offer Amount"), including information as to any other Senior Subordinated Indebtedness included in the Offer, (B) the allocation of the Net Available Cash from the Asset Dispositions pursuant to which such Offer is being made and (C) the compliance of such allocation with the provisions of Section 4.06(a) and (b). On such date, the Company shall also irrevocably deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust) in Temporary Cash Investments, maturing on the last day prior to the Purchase Date or on the Purchase Date if funds are immediately available by open of business, an amount equal to the Offer Amount to be held for payment in accordance with the provisions of this Section. If the Offer includes other Senior Subordinated Indebtedness, the deposit described in the preceding sentence may be made with any other paying agent pursuant to arrangements satisfactory to the Trustee. Upon the expiration of the period for which the Offer remains open (the "Offer Period"), the Company shall deliver to the Trustee for cancellation the Securities or portions thereof which have been properly tendered to and are to be accepted by the Company. The Trustee shall, on the Purchase Date, mail or deliver payment (or cause the delivery of payment) to each tendering Holder in the amount of the purchase price. In the event that the aggregate purchase price of the Securities delivered by the Company to the Trustee is less than the Offer Amount applicable to the Securities, the Trustee shall deliver the excess to the Company immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

(3) Holders electing to have a Security purchased shall be required to surrender the Security, with an appro-

priate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the Purchase Date. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Purchase Date, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security which was delivered for purchase by the Holder and a statement that such Holder is withdrawing his election to have such Security purchased. Holders whose Securities are purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the Securities surrendered.

(4) At the time the Company delivers Securities to the Trustee which are to be accepted for purchase, the Company shall also deliver an Officers' Certificate stating that such Securities are to be accepted by the Company pursuant to and in accordance with the terms of this Section. A Security shall be deemed to have been accepted for purchase at the time the Trustee, directly or through an agent, mails or delivers payment therefor to the surrendering Holder.

(d) The Company shall comply, to the extent applicable, with the

requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the purchase of Securities pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue of its compliance with such securities laws or regulations.

SECTION 4.07. Limitation on Affiliate Transactions. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (an "Affiliate Transaction") unless (1) the terms thereof are no less favorable to the Company or such Restricted Subsidiary than those that could be obtained at the time of such Affiliate Transaction in arm's-length dealings with a Person who is not such an Affiliate; (2) if such Affiliate Transaction involves an amount in excess of $2.5 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the directors of the Company disinterested with respect to such Affiliate Transaction have determined in

good faith that the criteria set forth in clause (1) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors; and (3) if such Affiliate Transaction involves an amount in excess of $10.0 million, the Board of Directors shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or is not less favorable to the Company and its Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm's-length transaction with a Person who was not an Affiliate.

(b) The provisions of Section 4.07(a) shall not prohibit (1) any Investment (other than a Permitted Investment) or other Restricted Payment, in each case permitted to be made pursuant to Section 4.04; (2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors; (3) loans or advances to employees or consultants in the ordinary course of business of the Company or its Restricted Subsidiaries, but in any event not to exceed $3.0 million in the aggregate outstanding at any one time; (4) the payment of reasonable fees and compensation to, or the provision of employee benefit arrangements and indemnity for the benefit of, directors, officers, employees and consultants of the Company and its Restricted Subsidiaries in the ordinary course of business; (5) any transaction between or among the Company, any Restricted Subsidiary or joint venture or similar entity which would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in or otherwise controls such Restricted Subsidiary, joint venture or similar entity; (6) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Company; (7) the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) or warrant agreement to which it is a party as of the Merger Date and any similar agreements which it may enter into thereafter; provided, however, that the existence of, or the performance by the Company or any of its Restricted Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Merger Date shall only be permitted by this clause (7) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders

in any material respect; (8) the payment of fees and other expenses to be paid by Parent, the Company or any of its Subsidiaries in connection with the Merger; (9) any agreement as in effect on the Merger Date and described in the Offering Circular or any renewals, extensions or amendments of any such agreement (so long as such renewals, extensions or amendments are not less favorable to the Company or the Restricted Subsidiaries)and the transactions evidenced thereby; and (10) transactions with customers, clients, suppliers or purchasers or sellers of goods or services in each case in the ordinary course of business and otherwise in compliance with the terms of the applicable Indenture which are fair to the Company or its Restricted Subsidiaries, in the reasonable determination of the Board of Directors of the Company or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party.

SECTION 4.08. Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. The Company (1) shall not, and shall not permit any Restricted Subsidiary to, sell, lease, transfer or otherwise dispose of any

Capital Stock of any Restricted Subsidiary to any Person (other than to the Company or a Wholly Owned Subsidiary), and (2) shall not permit any Restricted Subsidiary to issue any of its Capital Stock (other than, if necessary, shares of its Capital Stock constituting directors' or other legally required qualifying shares) to any Person (other than the Company or a Wholly Owned Subsidiary) unless (A) immediately after giving effect to such issuance, sale or other disposition, neither the Company nor any of its Subsidiaries owns any Capital Stock of such Restricted Subsidiary or (B) immediately after giving effect to such issuance, sale or other disposition, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person (other than in the case of an Exempt Subsidiary) remaining after giving effect thereto is treated as a new Investment by the Company and such Investment would have been permitted to be made under Section 4.04 if made on the date of such issuance, sale or other disposition.

SECTION 4.09. Change of Control. (a) Upon the occurrence of a Change of Control, each Holder shall have the right to require that the Company purchase such Holder's Securities at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest

payment date), in accordance with the terms contemplated in Section 4.09(b). In the event that at the time of such Change of Control the terms of the Credit Agreement prohibit the Company from making a Change of Control Offer or from purchasing Securities pursuant thereto, then prior to the mailing of the notice to Holders provided for in Section 4.09(b) below but in any event within 30 days following any Change of Control, the Company shall (1) repay in full all indebtedness outstanding under the Credit Agreement offer to repay in full all such indebtedness and repay the indebtedness of each lender who has accepted such offer or (ii) obtain the requisite consent under the Credit Agreement to permit the repurchase of the Securities as provided for in Section 4.09(b).

(b) Within 30 days following any Change of Control, unless the Company has exercised its option to redeem all the Securities pursuant to paragraph 6 of the Securities the Company shall mail a notice to each Holder with a copy to the Trustee (the "Change of Control Offer") stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Company to purchase such Holder's Securities at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);

(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions, as determined by the Company, consistent with this Section, that a Holder must follow in order to have its Securities purchased.

(c) Holders electing to have a Security purchased will be required to surrender the Security, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the purchase date. Holders will be entitled to withdraw

their election if the Trustee or the Company receives not later than one Business Day prior to the purchase date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security which was delivered for purchase by the Holder and a statement that such Holder is withdrawing his election to have such Security purchased.

(d) On the purchase date, all Securities purchased by the Company under this Section shall be delivered by the Company to the Trustee for cancellation, and the Company shall pay the purchase price plus accrued and unpaid interest, if any, to the Holders entitled thereto.

(e) Notwithstanding the foregoing provisions of this Section, the Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section applicable to a Change of Control Offer made by the Company and

purchases all Securities validly tendered and not withdrawn under such Change of Control Offer or if the Company has exercised its option to redeem all the Securities pursuant to paragraph 6 of the Securities.

(f) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the purchase of Securities pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue of its compliance with such securities laws or regulations.

SECTION 4.10. Future Guarantors. On the Merger Date, the Company shall cause each of its Restricted Subsidiaries that is a guarantor under the Credit Agreement to execute and deliver to the Trustee a Guaranty Agreement pursuant to which such Restricted Subsidiary shall Guarantee the Company's obligations with respect to the Securities on the terms set forth therein. After the Merger Date, the Company shall cause each Restricted Subsidiary that Guarantees any Indebtedness of the Company to, at the same time, execute and deliver to the Trustee a Guaranty Agreement pursuant to which such Restricted Subsidiary shall Guarantee the Company's obligations with respect to the Securities on the terms set forth herein.

SECTION 4.11. Compliance Certificate. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company an Officers' Certificate stating that in the course of the performance by the signers of their duties as Officers of the Company they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do, the certificate shall describe the Default, its status and what action the Company is taking or proposes to take with respect thereto. The Company also shall comply with TIA ss. 314(a)(4).

SECTION 4.12. Payment of Additional Interest. If additional interest is payable by the Company pursuant to the Registration Rights Agreement and paragraph 1 of the Securities, the Company shall deliver to the Trustee a certificate to that effect stating (i) the amount of such additional interest that is payable and (ii) the date on which such interest is payable. Unless and until the Trustee receives such a certificate, the Trustee may assume without inquiry that no Registration Default (as defined in the Registration Rights Agreement) exists and that no additional interest is owed by the Company. If the Company has paid additional interest directly to the persons entitled to such interest, the Company shall deliver to the Trustee a certificate setting forth the particulars of such payment.

SECTION 4.13. Further Instruments and Acts. Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

ARTICLE 5

Merger and Consolidation

Following the first day that (a) the ratings assigned to the Notes by both of the Rating Agencies are Investment Grade Ratings and (b) no Default has occurred and is continuing under this Indenture (and notwithstanding that the Company may later cease to have an Investment Grade Rating from either or both Rating Agencies or default under the Indenture), the Company shall not be subject to clause (3) of Section 5.01(a).

SECTION 5.01. When Company, Subsidiary Guarantors and Parent May Merge or Transfer Assets. (a) The Company shall not consolidate with or merge with or into, or convey,

transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in

form reasonably satisfactory to the Trustee, all the obligations of the Company under the Securities and this Indenture;

(2) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(3) immediately after giving pro forma effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a); and

(4) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture;

provided, however, that clause (3) shall not be applicable to (A) a Restricted
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Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Company or (B) the Company merging with an Affiliate of the Company solely for the purpose and with the sole effect of reincorporating the Company in another jurisdiction. In addition, notwithstanding clause (3) above, BLUM CB Corp. may merge into CB Richard Ellis Services, Inc. on the Merger Date as contemplated by the Merger Agreement.

The Successor Company shall be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture, and the predecessor Company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the Securities.

(b) The Company shall not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or series of transactions, all or substantially all of its assets to any Person unless:

(1) except in the case of a Subsidiary Guarantor that has been disposed of in its entirety to another Person (other than to the Company or an Affiliate of the Company), whether through a merger, consolidation or sale of Capital Stock or assets, if in connection therewith the Company provides an Officers' Certificate to the Trustee to the effect that the Company will comply with its obligations under Section 4.06 in respect of such disposition, the resulting, surviving or transferee Person (if not such Subsidiary) shall be a Person organized and existing under the laws of the jurisdiction under which such Subsidiary was organized or under the laws of the United States of America, or any State thereof or the District of Columbia, and such Person shall expressly assume, by a Guaranty Agreement, all the obligations of such Subsidiary, if any, under its Subsidiary Guaranty;

(2) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(3) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with this Indenture.

(c) Parent shall not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

(1) the resulting, surviving or transferee Person (if not Parent) shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and such Person shall expressly assume, by a Guaranty Agreement, all the obligations of Parent, if any, under its Guaranty;

(2) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(3) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with this Indenture.

ARTICLE 6

Defaults and Remedies

SECTION 6.01. Events of Default. An "Event of Default" occurs if:

(1) the Company defaults in any payment of interest on any Security when the same becomes due and payable, whether or not such payment shall be prohibited by Article 10, and such default continues for a period of 30 days;

(2) the Company (i) defaults in the payment of the principal of any Security when the same becomes due and payable at its Stated Maturity, upon redemption, upon declaration of acceleration or otherwise, whether or not such payment shall be prohibited by Article 10 or (ii) fails to redeem or purchase Securities when required pursuant to this Indenture or the Securities, whether or not such redemption or purchase shall be prohibited by Article 10;

(3) the Company, Parent or any Subsidiary Guarantor fails to comply with Section 5.01;

(4) the Company, Parent or any Subsidiary Guarantor, as the case may be, fails to comply with Section 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09 or 4.10 (other than a failure to purchase Securities when required under Section 4.06 or 4.09) and such failure continues for 30 days after the notice specified below;

(5) the Company, Parent or any Subsidiary Guarantor fails to comply with any of its agreements in

the Securities or this Indenture (other than those referred to in clause (1), (2), (3) or (4) above) and such failure continues for 60 days after the notice specified below;

(6) Indebtedness of the Company or any Significant Subsidiary is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $10.0 million, or its foreign currency equivalent at the time;

(7) the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(D) makes a general assignment for the benefit of its creditors;

or takes any comparable action under any foreign laws relating to insolvency;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Significant Subsidiary in an involuntary case;

(B) appoints a Custodian of the Company or any Significant Subsidiary or for any substantial part of its property; or

(C) orders the winding up or liquidation of the Company or any Significant Subsidiary;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days;

(9) any judgment or decree for the payment of money (other than judgments which are covered by

enforceable insurance policies issued by solvent carriers) in excess of $10.0 million (or its foreign currency equivalent at the time) is entered

against the Company or any Significant Subsidiary, remains outstanding for a period of 60 days following the entry of such judgment or decree and is not discharged, waived or the execution thereof stayed within 10 days after the notice specified below; or

(10) the Parent Guaranty or a Subsidiary Guaranty ceases to be in full force and effect (other than in accordance with the terms of such Guaranty) or a Guarantor denies or disaffirms its obligations under its Guaranty.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any
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similar Federal, state or foreign law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clauses (4), (5) or (9) is not an Event of Default until the Trustee or the holders of at least 25% in principal amount of the outstanding Securities notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any Event of Default under clause (6) or (10) and any event which with the giving of notice or the lapse of time would become an Event of Default under clause (4), (5) or (9), its status and what action the Company is taking or proposes to take with respect thereto.

SECTION 6.02. Acceleration. If an Event of Default (other than an
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Event of Default specified in Section 6.01(7) or (8) with respect to the Company) occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the

Securities by notice to the Company and the Trustee, may declare the principal of and accrued but unpaid interest on all the Securities to be due and payable; provided, however, that so long as any Bank Indebtedness remains outstanding, no
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such acceleration shall be effective until the earlier of (1) five Business Days after the giving of written notice to the Company and the administrative agent (or similar agent if there is no administrative agent) under the Credit Agreement and (2) the day on which any Bank Indebtedness is accelerated. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(7) or (8) with respect to the Company occurs and is continuing, the principal of and interest on all the Securities shall ipso facto become and be immediately due and payable
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without any declaration or other act on the part of the Trustee or any Security-holders. The Holders of a majority in principal amount of the Securities by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is
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continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04. Waiver of Past Defaults. The Holders of a majority in
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principal amount of the Securities by notice to the Trustee may waive an existing Default and its consequences except (i) a Default in the payment of the principal of or interest on a Security (ii) a Default arising from the failure to redeem or purchase any Security when required pursuant to this Indenture or (iii) a Default in respect of a provision that under Section 9.02 cannot be

amended without the consent of each Securityholder affected. When a Default is waived, it is deemed cured, but no such

waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The Holders of a majority in principal amount of the Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Securityholder may pursue any remedy with respect to this Indenture or the Securities unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Holders of at least 25% in principal amount of the Securities make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the Securities do not give the Trustee a direction inconsistent with the request during such 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of another Securityholder or to obtain a preference or priority over another Securityholder.

SECTION 6.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the Securities held by such Holder, on or after the respective due dates expressed in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Securityholders allowed in any judicial proceedings relative to the Company, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10. Priorities. If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in

the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to holders of Senior Indebtedness of the Company and, if such money or property has been collected from a Guarantor, to holders of Senior Indebtedness of such Guarantor, in each case to the extent required by Article 10 and 12;

THIRD: to Securityholders for amounts due and unpaid on the Securities for principal and interest, ratably, without preference or priority of any kind,

according to the amounts due and payable on the Securities for principal and interest, respectively; and

FOURTH: to the Company.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section. At least 15 days before such record date, the Company shall mail to each Securityholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in principal amount of the Securities.

SECTION 6.12. Waiver of Stay or Extension Laws. The Company (to the extent it may lawfully do so under applicable law) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

Trustee

SECTION 7.01. Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in

good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its

duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02. Rights of Trustee. (a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute wilful misconduct or negligence.

(e) The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as

to the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use of the proceeds from the Securities, and it shall not be responsible for any statement of the Company in the Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee's certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to each Securityholder notice of the Default within 90 days after it occurs. Except in the case of a Default in payment of principal of or interest on any Security (including payments pursuant to the mandatory redemption provisions of such Security, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Securityholders.

SECTION 7.06. Reports by Trustee to Holders. As promptly as practicable after each May 15 beginning with the May 15 following the date of this Indenture, and in any event prior to July 15 in each year, the Trustee shall mail to each Securityholder a brief report dated as of May 15 that complies with TIA (s) 313(a). The Trustee also shall comply with TIA (s) 313(b).

A copy of each report at the time of its mailing to Securityholders shall be filed with the SEC and each stock exchange (if any) on which the Securities are listed. The Company agrees to notify promptly the Trustee whenever the Securities become listed on any stock exchange and of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee from time to time reasonable compensation for its services. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Company shall indemnify the Trustee against any and all loss, liability or expense (including attorneys' fees) incurred by it in connection with the administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so

notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee may have separate counsel and the Company shall pay the fees and expenses of such counsel. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own wilful misconduct, negligence or bad faith.

To secure the Company's payment obligations in this Section, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Securities.

The Company's payment obligations pursuant to this Section shall survive the discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(7) or (8) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

SECTION 7.08. Replacement of Trustee. The Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the Securities may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount of the Securities and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor

Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Securityholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 60 days after the

retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Securityholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets (including the administration of the trust created by this Indenture) to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10. Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of TIA (S)310(a). The Trustee (or, in the case of a subsidiary of a bank holding company, its corporate parent) shall have a

combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA (S) 310(b); provided, however, that there shall be excluded from the operation of TIA (S) 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA (S) 310(b)(1) are met.

SECTION 7.11. Preferential Collection of Claims Against Company. The Trustee shall comply with TIA (S) 311(a), excluding any creditor relationship listed in TIA (S) 311(b). A Trustee who has resigned or been removed shall be subject to TIA (S) 311(a) to the extent indicated.

ARTICLE 8

Discharge of Indenture; Defeasance

SECTION 8.01. Discharge of Liability on Securities; Defeasance. (a) When (1) the Company delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.07) for cancellation or (2) all outstanding Securities have become due and payable, whether at maturity or on a redemption date as a result of the mailing of a notice of redemption pursuant to Article 3 hereof and the Company irrevocably deposits with the Trustee funds sufficient to pay at maturity or upon redemption all outstanding Securities, including interest thereon to maturity or such redemption date (other than Securities replaced pursuant to Section 2.07), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Sections 8.01(c) and 8.02, the Company at any time may terminate (1) all its obligations under the Securities and this Indenture ("legal defeasance option") or (2) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09 and 4.10 and the operation of Sections 6.01(4), 6.01(6), 6.01(7), 6.01(8) and 6.01(9) (but, in the case of Sections 6.01(7) and (8), with respect only to Significant Subsidiaries) and the limitations contained in Section 5.01(a)(3) ("covenant defeasance option"). The Company may exercise its legal

defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Company exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default with respect thereto. If the Company exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Sections 6.01(4), 6.01(6), 6.01(7), 6.01(8) and 6.01(9) (but, in the case of Sections 6.01(7) and (8), with respect only to Significant Subsidiaries) or because of the failure of the Company to comply with Section 5.01(a)(3). If the Company exercises its legal defeasance option or its covenant defeasance option, each Guarantor, if any, shall be released from all its obligations with respect to its Guaranty.

Upon satisfaction of the conditions set forth herein and upon request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding clauses (a) and (b) above, the Company's obligations in Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 7.07 and 7.08 and in this Article 8 shall survive until the Securities have been paid in full. Thereafter, the Company's obligations in Sections 7.07, 8.04 and 8.05 shall survive.

SECTION 8.02. Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations for the payment of principal of and interest on the Securities to maturity or redemption, as the case may be;

(2) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Securities to maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123-day period no Default specified in

Sections 6.01(7) or (8) with respect to the Company occurs which is continuing at the end of the period;

(4) the deposit does not constitute a default under any other agreement binding on the Company and is not prohibited by Article 10;

(5) the Company delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(6) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (B) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Securityholders will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(7) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Security holders will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(8) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities as contemplated by this Article 8 have been complied with.

Before or after a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article 8. It

shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Securities. Money and securities so held in trust are not subject to Article 10.

SECTION 8.04. Repayment to Company. The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Securityholders entitled to the money must look to the Company for payment as general creditors.

SECTION 8.05. Indemnity for Government Obligations. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities and the Guarantors' obligations under their respective Guaranties shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; provided, however, that, if the Company has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 9

Amendments

SECTION 9.01. Without Consent of Holders. The Company, the Guarantors and the Trustee may amend this Indenture, or the Securities without notice to or consent of any Securityholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Article 5;

(3) to provide for uncertificated Securities in addition to or in place of certificated Securities; provided, however, that the uncertificated Securities are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Securities are described in Section 163(f)(2)(B) of the Code;

(4) to add guarantees with respect to the Securities, including any Guaranties, or to secure the Securities ;

(5) to add to the covenants of the Company or a Guarantor for the benefit of the Holders or to surrender any right or power herein conferred upon the Company or a Guarantor;

(6) to comply with any requirements of the SEC in connection with qualifying, or maintaining the qualification of, this Indenture under the TIA; or

(7) to make any change that does not adversely affect the rights of any Securityholder.

An amendment under this Section may not make any change that

adversely affects the rights under Article 10 or 12 of any holder of Senior Indebtedness of the Company or of a Guarantor then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

After an amendment under this Section becomes effective, the Company shall mail to Securityholders a notice briefly describing such amendment. The failure to give such notice to all Securityholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.02. With Consent of Holders. The Company, the Guarantors and the Trustee may amend this Indenture or the Securities without notice to any Securityholder but with the written consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including consents obtained in connection with a tender offer or exchange for the Securities). However, without the consent of each Securityholder affected thereby, an amendment may not:

(1) reduce the amount of Securities whose Holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Security;

(3) reduce the principal amount of or extend the Stated Maturity of any Security;

(4) reduce the amount payable upon the redemption of any Security or change the time at which any Security may or shall be redeemed in accordance with Article 3;

(5) make any Security payable in money other than that stated in the Security;

(6) make any changes in the ranking or priority of any Security that would adversely affect the Securityholders;

(7) make any change in Section 6.04 or 6.07 or the second sentence of this Section; or

(8) make any change in any Guaranty that would adversely affect the Securityholders.

It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

An amendment under this Section may not make any change that adversely affects the rights under Article 10 or 12 or any Guaranty Agreement of any holder of Senior Indebtedness of the Company or of a Guarantor then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

After an amendment under this Section becomes effective, the Company shall mail to Securityholders a notice briefly describing such amendment. The failure to give such notice to all Securityholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.03. Compliance with Trust Indenture Act. Every amendment to this Indenture or the Securities shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Security holder. An amendment or waiver becomes effective upon the execution of such amendment or waiver by the Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Securityholders entitled to give their

consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Securityholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05. Notation on or Exchange of Securities. If an amendment changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

SECTION 9.06. Trustee To Sign Amendments. The Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

SECTION 9.07. Payment for Consent. Neither the Company nor any Affiliate of the Company shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to be paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

ARTICLE 10

Subordination

SECTION 10.01. Agreement To Subordinate. The Company agrees, and each Securityholder by accepting a Security agrees, that the Indebtedness evidenced by the Securities is subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment of all Senior Indebtedness of the Company and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness. The Securities shall in all respects rank pari passu with all other Senior Subordinated Indebtedness of the Company and only Indebtedness of the Company which is Senior Indebtedness of the Company shall rank senior to the Securities in accordance with the provisions set forth herein. All provisions of this Article 10 shall be subject to Section 10.12.

SECTION 10.02. Liquidation, Dissolution, Bankruptcy. Upon any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation

or a total or partial dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property:

(1) holders of Senior Indebtedness of the Company shall be entitled to receive payment in full in cash of such Senior Indebtedness before Securityholders shall be entitled to receive any payment; and

(2) until the Senior Indebtedness of the Company is paid in full in cash, any payment or distribution to which Securityholders would be entitled but for this Article 10 shall be made to holders of such Senior Indebtedness as their interests may appear, except that Securityholders may receive shares of stock and any debt securities that are subordinated to such Senior Indebtedness to at least the same extent as the Securities.

SECTION 10.03. Default on Senior Indebtedness of the Company.

The Company shall not pay the principal of, premium, if any, or interest on the Securities or make any deposit pursuant to Section 8.01 and may not purchase, redeem or (except for Securities delivered to the Trustee pursuant to the second sentence of paragraph 6 of the Securities) otherwise retire any Securities (except for any redemption pursuant to paragraph 6 of the Securities) (collectively, "pay the Securities") if either of the following (a "Payment Default") occurs (1) any Designated Senior Indebtedness of the Company is not paid in full in cash when due; or (2) any other default on Designated Senior Indebtedness of the Company occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case, the Payment Default has been cured or waived and any such acceleration has been rescinded or such Designated Senior Indebtedness has been paid in full in cash; provided, however, that the Company shall be entitled to pay the Securities
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without regard to the foregoing if the Company and the Trustee receive written notice approving such payment from the Representative of any Designated Senior Indebtedness with respect to which the Payment Default has occurred and is continuing. During the continuance of any default (other than a Payment Default) with respect to any Designated Senior Indebtedness of the Company pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company shall not pay the Securities for a period (a "Payment Blockage Period") commencing upon the receipt by the Trustee of (with a copy to the Company) written notice (a "Blockage

Notice") of such default from the Representative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter. The Payment Blockage Period shall end earlier if such Payment Blockage Period is terminated (1) by written notice to the Trustee and the Company from the Person or Persons who gave such Blockage Notice; (2) because the default giving rise to such Blockage Notice is cured, waived or otherwise no longer continuing; or (3) because such Designated Senior Indebtedness has been discharged or repaid in full in cash. Notwithstanding the provisions described in the immediately preceding two sentences (but subject to the provisions contained in the first sentence of this Section), unless the holders of such Designated Senior Indebtedness or the Representative of such Designated Senior Indebtedness shall have accelerated the maturity of such Designated Senior Indebtedness, the Company shall be entitled to resume payments on the Securities after termination of such Payment Blockage Period. The Securities shall not be subject to more than one Payment Blockage Period in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of the Company during such period; provided,
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however, that if any Blockage Notice within such 360-day period is given by or
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on behalf of any holders of Designated Senior Indebtedness of the Company (other than the Bank Indebtedness), the Representative of the Bank Indebtedness shall be entitled to give another Blockage Notice within such period; provided
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further, however, that in no event shall the total number of days during which
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any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-day consecutive period, and there must be 181 days during any 360-day consecutive period during which no Payment Blockage Period is in effect. For purposes of this Section, no default or event of default which existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness of the Company initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 10.04. Acceleration of Payment of Securities. If payment

of the Securities is accelerated because of an Event of Default, the Company or the Trustee shall promptly notify the holders of the Designated Senior

Indebtedness of the Company (or their Representatives) of the acceleration.

SECTION 10.05. When Distribution Must Be Paid Over. If a

distribution is made to Securityholders that because of this Article 10 should not have been made to them, the Securityholders who receive the distribution shall hold it in trust for holders of Senior Indebtedness of the Company and pay it over to them as their interests may appear. If any Designated Senior Indebtedness of the Company is outstanding, the Company shall not pay the Securities until five Business Days after the Representatives of all the issues

of Designated Senior Indebtedness of the Company receive notice of such acceleration and, thereafter, shall be entitled to pay the Securities only if this Article 10 otherwise permits payment at that time.

SECTION 10.06. Subrogation. After all Senior Indebtedness of the Company is paid in full and until the Securities are paid in full, Securityholders shall be subrogated to the rights of holders of such Senior Indebtedness to receive distributions applicable to such Senior Indebtedness. A distribution made under this Article 10 to holders of such Senior Indebtedness which otherwise would have been made to Securityholders is not, as between the Company and Securityholders, a payment by the Company on such Senior Indebtedness.

SECTION 10.07. Relative Rights. This Article 10 defines the relative rights of Securityholders and holders of Senior Indebtedness of the Company. Nothing in this Indenture shall:

(1) impair, as between the Company and Securityholders, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Securities in accordance with their terms; or

(2) prevent the Trustee or any Securityholder from exercising its available remedies upon a Default, subject to the rights of holders of Senior Indebtedness of the Company to receive distributions otherwise payable to Securityholders.

SECTION 10.08. Subordination May Not Be Impaired by Company. No right of any holder of Senior Indebtedness of the Company to enforce the subordination of the Indebtedness evidenced by the Securities shall be impaired

by any act or failure to act by the Company or by its failure to comply with this Indenture.

SECTION 10.09. Rights of Trustee and Paying Agent. Notwithstanding Section 10.03, the Trustee or Paying Agent shall continue to make payments on the Securities and shall not be charged with knowledge of the existence of facts that under this Article 10 would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives notice satisfactory to it that such payments are prohibited by this Article 10. The Company, the Registrar or co-registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of the Company shall be entitled to give the notice; provided, however, that, if an issue of Senior Indebtedness of the Company has a Representative, only the Representative shall be entitled to give the notice.

The Trustee in its individual or any other capacity shall be entitled to hold Senior Indebtedness of the Company with the same rights it would have if it were not Trustee. The Registrar and co-registrar and the Paying Agent shall be entitled to do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article 10 with respect to any Senior Indebtedness of the Company which may at any time be held by it, to the same extent as any other holder of such Senior Indebtedness; and nothing in Article 7 shall deprive the Trustee of any of its rights as such holder. Nothing in this Article 10 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

SECTION 10.10. Distribution or Notice to Representative. Whenever any Person is to make a distribution or give a notice to holders of Senior Indebtedness of the Company, such Person shall be entitled to make such distribution or give such notice to their Representative (if any).

SECTION 10.11. Article 10 Not To Prevent Events of Default or Limit Right To Accelerate. The failure to make a payment pursuant to the Securities by reason of any provision in this Article 10 shall not be construed as preventing the occurrence of a Default. Nothing in this Article 10 shall have any effect on the right of the Securityholders or the Trustee to accelerate the maturity of the Securities.

SECTION 10.12. Trust Moneys Not Subordinated. Notwithstanding anything contained herein to the contrary,

payments from money or the proceeds of U.S. Government Obligations held in trust under Article 8 by the Trustee for the payment of principal of and interest on the Securities shall not be subordinated to the prior payment of any Senior Indebtedness of the Company or subject to the restrictions set forth in this Article 10 if the provisions of this Article 10 were not violated at the time funds were deposited in trust with the Trustee pursuant to Article 8, and none of the Securityholders shall be obligated to pay over any such amount to the Company or any holder of Senior Indebtedness of the Company or any other creditor of the Company.

SECTION 10.13. Trustee Entitled To Rely. Upon any payment or distribution pursuant to this Article 10, the Trustee and the Securityholders shall be entitled to rely (1) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 10.02 are pending, (2) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to the Security holders or (3) upon the Representatives of Senior Indebtedness of the Company for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10. In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of the Company to participate in any payment or distribution pursuant to this Article 10, the Trustee shall be entitled to request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 10, and, if such evidence is not furnished, the Trustee shall be entitled to defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article 10.

SECTION 10.14. Trustee To Effectuate Subordination. Each Securityholder by accepting a Security authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Securityholders and

the holders of Senior Indebtedness of the Company as provided in this Article 10 and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 10.15. Trustee Not Fiduciary for Holders of Senior Indebtedness of the Company. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Company and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Securityholders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness of the Company shall be entitled by virtue of this Article 10 or otherwise.

SECTION 10.16. Reliance by Holders of Senior Indebtedness of the Company on Subordination Provisions. Each Securityholder by accepting a Security acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of the Company, whether such Senior Indebtedness was created or acquired before or after the issuance of the Securities, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of such Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

ARTICLE 11

Guaranties

SECTION 11.01. Guaranties. Each Guarantor hereby unconditionally and irrevocably guarantees, jointly and severally, to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of and interest on the Securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Company under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the

Company under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Guarantor and that such Guarantor will remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

Each Guarantor waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Securities or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (a) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (e) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Obligations; or (f) except as set forth in Section 11.06, any change in the ownership of such Guarantor.

Each Guarantor further agrees that its Guaranty herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

Each Guaranty is, to the extent and in the manner set forth in Article 12, subordinated and subject in right of payment to the prior payment in full of the principal of and premium, if any, and interest on all Senior Indebtedness of the Guarantor giving such Guaranty and each Guaranty is made subject to such provisions of this Indenture.

Except as expressly set forth in Section 8.01(b), 11.02 and 11.06, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any

other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

Each Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary Guaranteed Obligations of the Company to the Holders and the Trustee.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full of all Guaranteed Obligations and all obligations to which the Guaranteed Obligations are subordinated as provided in Article 12. Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Guaranteed Obligations may be accelerated as provided in Article 6 for the purposes of such Guarantor's Guaranty herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations, and (y)

in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section.

Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees)

incurred by the Trustee or any Holder in enforcing any rights under this Section.

SECTION 11.02. Limitation on Liability. Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

SECTION 11.03. Successors and Assigns. This Article 11 shall be binding upon each Guarantor and its successors and assigns and shall enure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 11.04. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

SECTION 11.05. Modification. No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 11.06. Release of Subsidiary Guarantor. Upon the sale (including any sale pursuant to any exercise of remedies by a holder of Senior Indebtedness of the Company or of such Subsidiary Guarantor) or other

disposition (including by way of consolidation or merger) of a Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of such Subsidiary Guarantor (in each case other than a sale or disposition to the Company or an Affiliate of the Company), or at such time a Subsidiary Guarantor no longer Guarantees any other Indebtedness of the Company, or upon designation of a Subsidiary Guarantor as an Unrestricted Subsidiary pursuant to the terms of this Indenture, such Subsidiary Guarantor shall be deemed released from all obligations under this Article 11 without any further action required on the part of the Trustee or any Holder. At the request of the Company, the Trustee shall execute and deliver an appropriate instrument evidencing such release.

SECTION 11.07. Contribution. Each Subsidiary Guarantor that makes a payment under its Subsidiary Guaranty will be entitled upon payment in full of all Guaranteed Obligations to a contribution from each other Subsidiary Guarantor in an amount equal to such other Subsidiary Guarantor's pro rata portion of such payment based on the respective net assets of all the Subsidiary Guarantors at the time of such payment determined in accordance with GAAP.

ARTICLE 12

Subordination of Guaranties

SECTION 12.01. Agreement To Subordinate. Each Guarantor agrees, and

each Securityholder by accepting a Security agrees, that the Indebtedness evidenced by such Guarantor's Guaranty is subordinated in right of payment, to the extent and in the manner provided in this Article 12, to the prior payment of all Senior Indebtedness of such Guarantor and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness. The Guaranteed Obligations of a Guarantor shall in all respects rank pari passu with
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all other Senior Subordinated Indebtedness of such Guarantor and only Senior Indebtedness of such Guarantor (including such Guarantor's Guaranty of Senior Indebtedness of the Company) shall rank senior to the Guaranteed Obligations of such Guarantor in accordance with the provisions set forth herein.

SECTION 12.02. Liquidation, Dissolution, Bankruptcy. Upon any payment
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or distribution of the assets of any Guarantor to creditors upon a total or partial liqui-

dation or a total or partial dissolution of such Guarantor or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to such Guarantor or its property:

(1) holders of Senior Indebtedness of such Guarantor shall be entitled to receive payment in full in cash of such Senior Indebtedness before Securityholders shall be entitled to receive any payment pursuant to the Guaranty of such Guarantor; and

(2) until the Senior Indebtedness of any Guarantor is paid in full in cash, any payment or distribution to which Securityholders would be entitled but for this Article 12 shall be made to holders of such Senior Indebtedness as their interests may appear, except that Securityholders may receive shares of stock and any debt securities of such Guarantor that are subordinated to such Senior Indebtedness to at least the same extent as its Guaranty.

SECTION 12.03. Default on Senior Indebtedness of Guarantor. No
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Guarantor shall make any payment on its Guaranty or purchase, redeem or otherwise retire or defease any Securities or other Guaranteed Obligations (collectively, "pay its Guaranty") if either of the following (a "Payment Default") occurs (1) any Designated Senior Indebtedness of such Guarantor is not paid in full in cash when due; or (2) any other default on Designated Senior Indebtedness of such Guarantor occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms; unless, in either case, the Payment Default has been cured or waived and any such acceleration has been rescinded or such Designated Senior Indebtedness has been paid in full in cash; provided, however, that any Guarantor shall be entitled to pay its
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Guaranty without regard to the foregoing if such Guarantor and the Trustee receive written notice approving such payment from the Representative of any Designated Senior Indebtedness with respect to which the Payment Default has occurred and is continuing. During the continuance of any default (other than a Payment Default) with respect to any Designated Senior Indebtedness of such Guarantor pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, such Guarantor shall not pay its Guaranty for a period (a "Payment Blockage Period") commencing upon the receipt by the Trustee of (with a copy to such Guarantor) written notice (a "Blockage Notice") of such default from the Representative of such Designated

Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter. The Payment Blockage Period shall end earlier if such Payment Blockage Period is terminated (1) by written notice to the Trustee and such Guarantor from the Person or Persons who gave such Blockage Notice; (2) because the default giving rise to such Blockage Notice is cured, waived or otherwise no longer continuing; or (3) because such Designated Senior Indebtedness has been discharged or repaid in full in cash. Notwithstanding the provisions described in the immediately preceding two sentences (but subject to the provisions contained in the first sentence of this Section), unless the holders of such Designated Senior Indebtedness giving such Payment Notice or the Representative of such Designated Senior Indebtedness shall have accelerated the maturity of such Designated Senior Indebtedness, any Guarantor shall be entitled to resume payments pursuant to its Guaranty after termination of such Payment Blockage Period. No Guarantor shall be subject to more than one Blockage Period in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of such Guarantor during such period; provided, however, that if any Blockage Notice within such 360-day period is
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given by or on behalf of any holders of Designated Senior Indebtedness of such Guarantor (other than the Bank Indebtedness), the Representative of the Bank Indebtedness shall be entitled to give another Blockage Notice within such

period; provided further, however, that in no event shall the total number of
days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-day consecutive period, and there must be 181 days during any 360-day consecutive period during which no Payment Blockage Period is in effect. For purposes of this Section, no default or event of default which existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness of such Guarantor initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 12.04. Demand for Payment. If a demand for payment is made on a Guarantor pursuant to Article 11, the Trustee shall promptly notify the holders of the Designated Senior Indebtedness of such Guarantor (or their Representatives) of such demand.

SECTION 12.05. When Distribution Must Be Paid Over. If a distribution is made to Securityholders that because of this Article 12 should not have been made to them, the Securityholders who receive the distribution shall hold it in trust for holders of Senior Indebtedness of the applicable Guarantor and pay it over to them or their Representatives as their interests may appear. If any Designated Senior Indebtedness of a Subsidiary Guarantor is outstanding, such Subsidiary Guarantor shall not make a payment on its Guaranty until five Business Days after the Representations of all the issuers of Designated Senior Indebtedness of such Guarantor receive notice of such acceleration and, thereafter, shall be entitled to pay the Securities only if Article 12 otherwise permits payment at that time.

SECTION 12.06. Subrogation. After all Senior Indebtedness of a Guarantor is paid in full and until the Securities are paid in full, Securityholders shall be subrogated to the rights of holders of such Senior Indebtedness to receive distributions applicable to Senior Indebtedness of such Guarantor. A distribution made under this Article 12 to holders of such Senior Indebtedness which otherwise would have been made to Securityholders is not, as between the relevant Guarantor and Securityholders, a payment by such Guarantor on such Senior Indebtedness.

SECTION 12.07. Relative Rights. This Article 12 defines the relative rights of Securityholders and holders of Senior Indebtedness of a Guarantor. Nothing in this Indenture shall:

(1) impair, as between a Guarantor and Security holders, the obligation of such Guarantor, which is absolute and unconditional, to pay its Guaranty to the extent set forth in Article 11; or

(2) prevent the Trustee or any Securityholder from exercising its available remedies upon a default by such Guarantor under its Guaranty, subject to the rights of holders of Senior Indebtedness of such Guarantor to receive distributions otherwise payable to Securityholders.

SECTION 12.08. Subordination May Not Be Impaired by Company. No right of any holder of Senior Indebtedness of any Guarantor to enforce the subordination of the Guaranty of such Guarantor shall be impaired by any act or failure to act by such Guarantor or by its failure to comply with this Indenture.

SECTION 12.09. Rights of Trustee and Paying Agent. Notwithstanding Section 12.03, the Trustee or Paying Agent shall continue to make payments on any Guaranty and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives written notice satisfactory to it that such payments are prohibited by this Article 12. The Company, the relevant Guarantor, the Registrar or co-registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of such Guarantor shall be entitled to give the notice; provided, however, that, if an issue of Senior Indebtedness of any Guarantor has a Representative, only the Representative shall be entitled to give the notice.

The Trustee in its individual or any other capacity shall be entitled to hold Senior Indebtedness of any Guarantor with the same rights it would have

if it were not the Trustee. The Registrar and co-registrar and the Paying Agent may do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article 12 with respect to any Senior Indebtedness of any Guarantor which may at any time be held by it, to the same extent as any other holder of such Senior Indebtedness; and nothing in Article 7 shall deprive the Trustee of any of its rights as such holder. Nothing in this Article 12 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

SECTION 12.10. Distribution or Notice to Representative. Whenever any
Person is to make a distribution or give a notice to holders of Senior Indebtedness of any Guarantor, such Person shall be entitled to make such distribution or give such notice to their Representative (if any).

SECTION 12.11. Article 12 Not To Prevent Events of Default or Limit Right To Demand Payment. The failure to make a payment pursuant to a Guaranty by reason of any provision in this Article 12 shall not be construed as preventing the occurrence of a Default. Nothing in this Article 12 shall have any effect on the right of the Securityholders or the Trustee to make a demand for payment on any Guarantor pursuant to its Guaranty.

SECTION 12.12. Trustee Entitled To Rely. Upon any payment or distribution pursuant to this Article 12, the Trustee and the Securityholders shall be entitled to rely (1) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to

in Section 12.02 are pending, (2) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to the Securityholders or (3) upon the Representatives for the holders of Senior Indebtedness of any Guarantor for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness and other indebtedness of such Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 12. In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of any Guarantor to participate in any payment or distribution pursuant to this Article 12, the Trustee shall be entitled to request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness of such Guarantor held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 12, and, if such evidence is not furnished, the Trustee shall be entitled to defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article 12.

SECTION 12.13. Trustee To Effectuate Subordination. Each Securityholder by accepting a Security authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Securityholders and the holders of Senior Indebtedness of any Guarantor as provided in this Article 12 and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 12.14. Trustee Not Fiduciary for Holders of Senior Indebtedness of Guarantor. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of any Guarantor and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Securityholders or the Company or any other Person, money or assets to which any holders of such Senior Indebtedness shall be entitled by virtue of this Article 12 or otherwise.

SECTION 12.15. Reliance by Holders of Senior Indebtedness of Guarantors on Subordination Provisions. Each Securityholder by accepting a Security acknowledges and agrees that the foregoing subordination provisions are, and

are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of any Guarantor, whether such Senior Indebtedness was created or acquired before or after the issuance of the Securities, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such

holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

ARTICLE 13

Miscellaneous

SECTION 13.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 13.02. Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Company or any Guarantor:

BLUM CB Corp.
909 Montgomery Street
Suite 400
San Francisco, California

Attention of Alan Willis

if to the Trustee:

State Street Bank and Trust Company of
California, N.A.
633 West 5th Street, 12th Floor
Los Angeles, California 90071

Attention: Corporate Trust Administration
(BLUM CB Corp. 11 1/4% Senior Subordinated Notes
due June 15, 2011)

The Company, any Guarantor or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Securityholder shall be mailed to the Securityholder at the Secu-

rityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 13.03. Communication by Holders with Other Holders. Securityholders may communicate pursuant to TIA (S) 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Company, any Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA (S) 312(c).

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or

investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 13.06. When Securities Disregarded. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Company or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which the Trustee knows are so owned shall be so disregarded. Also, subject to the fore going, only Securities outstanding at the time shall be considered in any such determination.

SECTION 13.07. Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Securityholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 13.08. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which commercial banking institutions are authorized or required by law to close in New York City. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 13.09. Governing Law. This Indenture and the Securities shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 13.10. No Recourse Against Others. A director, officer, employee or stockholder, as such, of the Company or any Guarantor shall not have any liability for any obligations of the Company under the Securities or this Indenture or of such Guarantor under its Guaranty or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Securities.

SECTION 13.11. Successors. All agreements of the Company and the Guarantors in this Indenture and the Securities shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 13.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

BLUM CB CORP.,

by /s/ Claus J. Moller
Name: Claus J. Moller
Title: President

CBRE HOLDING, INC.,

by /s/ Claus J. Moller
Name: Claus J. Moller
Title: President

STATE STREET BANK AND TRUST
COMPANY OF CALIFORNIA, N.A.,

by /s/ Marc Henson
Name: Marc Henson
Title: Vice President

RULE 144A/REGULATION S APPENDIX

PROVISIONS RELATING TO INITIAL SECURITIES,
PRIVATE EXCHANGE SECURITIES
AND EXCHANGE SECURITIES

1. Definitions

1.1 Definitions

For the purposes of this Appendix the following terms shall have the meanings indicated below:

"Depository" means The Depository Trust Company, its nominees and their respective successors.

"Exchange Securities" means (1) the 11 1/4% Senior Subordinated Notes Due June 15, 2011 issued pursuant to the Indenture in connection with a Registered Exchange Offer pursuant to a Registration Rights Agreement and (2) Additional Securities, if any, issued pursuant to a registration statement filed with the SEC under the Securities Act.

"Initial Purchasers" means (1) with respect to the Initial Securities issued on the Issue Date, Credit Suisse First Boston Corporation, Credit Lyonnais Securities (USA) Inc., HSBC Securities (USA) Inc. and Scotia Capital (USA) Inc. and (2) with respect to each issuance of Additional Securities, the Persons purchasing such Additional Securities under the related Purchase Agreement.

"Initial Securities" means (1) $229.0 million aggregate principal amount of 11 1/4% Senior Subordinated Notes Due June 15, 2011 issued on the Issue Date and (2) Additional Securities, if any, issued in a transaction exempt from the registration requirements of the Securities Act.

"Private Exchange" means the offer by the Company, pursuant to a Registration Rights Agreement, to the Initial Purchasers to issue and deliver to the Initial Purchasers, in exchange for the Initial Securities held by the Initial Purchasers as part of its initial distribution, a like aggregate principal amount of Private Exchange Securities.

"Private Exchange Securities" means any 11 1/4% Senior Subordinated Notes Due June 15, 2011 issued in connection with a Private Exchange.

"Purchase Agreement" means (1) with respect to the Initial Securities issued on the Issue Date, the Purchase Agreement dated May 31, 2001 among the Company, Parent and

the Initial Purchasers, as such agreement has been amended on or prior to the date hereof, and (2) with respect to each issuance of Additional Securities, the purchase agreement or underwriting agreement among the Company, Parent and the Persons purchasing such Additional Securities.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registered Exchange Offer" means the offer by the Company, pursuant to a Registration Rights Agreement, to certain Holders of Initial Securities, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of Exchange Securities registered under the Securities Act.

"Registration Rights Agreement" means (1) with respect to the Initial Securities issued on the Issue Date, the Registration Rights Agreement dated May 31, 2001 among the Company, Parent and the Initial Purchasers, and (2) with respect to each issuance of Additional Securities issued in a transaction exempt from the registration requirements of the Securities Act, the registration rights agreement, if any, among the Company and the Persons purchasing such Additional Securities under the related Purchase Agreement.

"Securities" means the Initial Securities, the Exchange Securities and the Private Exchange Securities, treated as a single class.

"Securities Custodian" means the custodian with respect to a Global Security (as appointed by the Depository), or any successor Person thereto and shall initially be the Trustee.

"Shelf Registration Statement" means the registration statement issued by the Company in connection with the offer and sale of Initial Securities or Private Exchange Securities pursuant to a Registration Rights Agreement.

"Transfer Restricted Securities" means Securities that bear or are required to bear the legend set forth in Section 2.3(b)hereto.

1.2 Other Definitions

Term	Defined in Section:
"Agent Members"	2.1(b)
"Global Security"	2.1(a)

"Regulation S"	2.1(a)
"Restricted Global Security"	2.1(a)
"Rule 144A"	2.1(a)

2. The Securities.

2.1 (a) Form and Dating. Initial Securities offered and sold to QIBs in
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reliance on Rule 144A under the Securities Act ("Rule 144A") or in reliance on Regulation S under the Securities Act ("Regulation S"), in each case as provided in a Purchase Agreement, and Private Exchange Securities, as provided in a Registration Rights Agreement, shall be issued initially in the form of one or more permanent global Securities in definitive, fully registered form without interest coupons with the global securities legend and restricted securities legend set forth in Exhibit 1 hereto (each, a "Restricted Global Security"), which shall be deposited on behalf of the purchasers of the Initial Securities represented thereby with the Trustee, at its principal corporate trust office, as custodian for the Depository (or with such other custodian as the Depository may direct), and registered in the name of the Depository or a nominee of the Depository, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depository or its nominee as hereinafter provided. Exchange Securities shall be issued in global form (with the global securities legend set forth in Exhibit 1 hereto) or in certificated form at the option of the Holders thereof from time to time. Exchange Securities issued in global form and Restricted Global Securities are sometimes referred to in this Appendix as "Global Securities."

(b) Book-Entry Provisions. This Section 2.1(b) shall apply only to a
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Global Security deposited with or on behalf of the Depository.

The Company shall execute and the Trustee shall, in accordance with this Section 2.1(b), authenticate and deliver initially one or more Global Securities that (a) shall be registered in the name of the Depository for such Global Security or Global Securities or the nominee of such Depository and (b) shall be delivered by the Trustee to such Depository or pursuant to such Depository's instructions or held by the Trustee as custodian for the Depository.

Members of, or participants in, the Depository ("Agent Members") shall have no rights under this Indenture with respect to any Global Security held on their

behalf by the Depository or by the Trustee as the custodian of the

Depository or under such Global Security, and the Company, the Trustee and any agent of the Company or the Trustee shall be entitled to treat the Depository as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices of such Depository governing the exercise of the rights of a holder of a beneficial interest in any Global Security.

(c) Certificated Securities. Except as provided in this Section 2.1 or Section 2.3 or 2.4, owners of beneficial interests in Restricted Global Securities shall not be entitled to receive physical delivery of certificated Securities.

2.2 Authentication. The Trustee shall authenticate and deliver: (1) on the Issue Date, an aggregate principal amount of $229.0 million 11 1/4% Senior Subordinated Notes Due June 15, 2011, (2) any Additional Securities for an original issue in an aggregate principal amount specified in the written order of the Company pursuant to Section 2.02 of the Indenture and (3) Exchange Securities or Private Exchange Securities for issue only in a Registered Exchange Offer or a Private Exchange, respectively, pursuant to a Registration Rights Agreement, for a like principal amount of Initial Securities, in each case upon a written order of the Company signed by one Officer. Such order shall specify the amount of the Securities to be authenticated and the date on which the original issue of Securities is to be authenticated and, in the case of any issuance of Additional Securities pursuant to Section 2.13 of the Indenture, shall certify that such issuance is in compliance with Section 4.03 of the Indenture.

2.3 Transfer and Exchange.

(a) Transfer and Exchange of Global Securities. (i) The transfer and exchange of Global Securities or beneficial interests therein shall be effected through the Depository, in accordance with this Indenture (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depository therefor. A transferor of a beneficial interest in a Global Security shall deliver to the Registrar a written order given in accordance with the Depositary's procedures containing information regarding the participant account of the Depositary to be credited with a beneficial interest in the Global Security. The Registrar shall, in accordance with such instructions instruct the

Depositary to credit to the account of the Person specified in such instructions a beneficial interest in the Global Security and to debit the account of the Person making the transfer the beneficial interest in the Global Security being transferred.

(ii) Notwithstanding any other provisions of this Appendix (other than the provisions set forth in Section 2.4), a Global Security may not be transferred as a whole except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(iii) In the event that a Restricted Global Security is exchanged for Securities in certificated registered form pursuant to Section 2.4 of this Appendix, prior to the consummation of a Registered Exchange Offer or the effectiveness of a Shelf Registration Statement with respect to such Securities, such Securities may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Section 2.3 (including the certification requirements set forth on the reverse of the Initial Securities intended to ensure that such transfers comply with Rule 144A or Regulation S, as the case may be) and such other procedures as may from time to time be adopted by the Company.

(b) Legend.

(i) Except as permitted by the following paragraphs (ii), (iii) and (iv), each Security certificate evidencing the Restricted Global Securities (and all Securities issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form:

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED

IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) THE COMPANY, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN

RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

(ii) Upon any sale or transfer of a Transfer Restricted Security (including any Transfer Restricted Security represented by a Restricted Global Security) pursuant to Rule 144 under the Securities Act, the Registrar shall permit the transferee thereof to exchange such Transfer Restricted Security for a certificated Security that does not bear the legend set forth above and rescind any restriction on the transfer of such Transfer Restricted Security, if the transferor thereof certifies in writing to the Registrar that such sale or transfer was made in reliance on Rule 144 (such certification to be in the form set forth on the reverse of the Security).

(iii) After a transfer of any Initial Securities or Private Exchange Securities pursuant to and during the period of the effectiveness of a Shelf Registration Statement with respect to such Initial Securities or Private Exchange Securities, as the case may be, all requirements pertaining to legends on such Initial Security or such Private Exchange Security will cease to apply, the requirements requiring any such Initial Security or such Private Exchange Security issued to certain Holders be issued in global form will cease to apply, and a certificated Initial Security or Private Exchange Security or an Initial Security or Private Exchange Security in global form, in each case without restrictive transfer legends, will be available to the transferee of the Holder of such Initial Securities or Private Exchange Securities upon exchange of such transferring Holder's certificated Initial Security or Private Exchange Security or directions to transfer such Holder's interest in the Global Security, as applicable.

(iv) Upon the consummation of a Registered Exchange Offer with respect to the Initial Securities, all requirements pertaining to such Initial Securities that Initial Securities issued to certain Holders be issued in global form will still apply with respect to Holders of such Initial Securities that do not exchange their Initial Securities, and Exchange

Securities in certificated or global form will be available to Holders that exchange such Initial Securities in such Registered Exchange Offer.

(v) Upon the consummation of a Private Exchange with respect to the Initial Securities, all requirements pertaining to such Initial Securities that Initial Securities issued to certain Holders be issued in global form will still apply with respect to Holders of such Initial Securities that do not exchange their Initial Securities, and Private Exchange Securities in global form with the global securities legend and the Restricted Securities Legend set forth in Exhibit 1 hereto will be available to Holders that exchange such Initial Securities in such Private Exchange.

(c) Cancellation or Adjustment of Global Security. At such time as all beneficial interests in a Global Security have either been exchanged for certificated Securities, redeemed, purchased or canceled, such Global Security shall be returned to the Depository for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for certificated Securities, redeemed, purchased or canceled, the principal amount of Securities represented by such Global Security shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Securities Custodian for such Global Security) with respect to such Global Security, by the Trustee or the Securities Custodian, to reflect such reduction.

(d) Obligations with Respect to Transfers and Exchanges of Securities.

(i) To permit registrations of transfers and exchanges, the Company shall

execute and the Trustee shall authenticate certificated Securities and Global Securities at the Registrar's or co-registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.06, 3.06 and 4.09 of the Indenture).

(iii) The Registrar or co-registrar shall not be required to register the transfer of or exchange of any Security for a period beginning 15 Business Days before the mailing of a notice of an offer to repurchase or redeem Securities or 15 Business Days before an interest payment date.

(iv) Prior to the due presentation for registration of transfer of any Security, the Company, the Trustee, the Paying Agent, the Registrar or any co-registrar may deem and treat the person in whose name a Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and none of the Company, the Trustee, the Paying Agent, the Registrar or any co-registrar shall be affected by notice to the contrary.

(v) All Securities issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Securities surrendered upon such transfer or exchange.

(e) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Security, a member of, or a participant in the Depository or other Person with respect to the accuracy of the records of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Securities or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depository) of any notice (including any notice of redemption) or the payment of any amount, under or with respect to such Securities. All notices and communications to be given to the Holders and all payments to be made to Holders under the Securities shall be given or made only to or upon the order of the registered Holders (which shall be the Depository or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through the Depository subject to the applicable rules and procedures of the Depository. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depository participants, members or beneficial owners in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the

same to determine substantial compliance as to form with the express requirements hereof.

2.4 Certificated Securities.

(a) A Restricted Global Security deposited with the Depository or with the Trustee as custodian for the Depository pursuant to Section 2.1 shall be transferred to the beneficial owners thereof in the form of certificated Securities in an aggregate principal amount equal to the principal amount of such Global Security, in exchange for such Global Security, only if such transfer complies with Section 2.3 and (i) the Depository notifies the Company that it is unwilling or unable to continue as Depository for such Restricted Global Security or if at any time such Depository ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary is not appointed by the Company within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing or (iii) the Company, in its sole discretion, notifies the Trustee in writing that it elects to cause the issuance of certificated Securities under this Indenture.

(b) Any Restricted Global Security that is transferable to the beneficial owners thereof pursuant to this Section shall be surrendered by the Depository

to the Trustee located at its principal corporate trust office in the Borough of Manhattan, The City of New York, to be so transferred, in whole or from time to time in part, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Restricted Global Security, an equal aggregate principal amount of certificated Initial Securities of authorized denominations. Any portion of a Restricted Global Security transferred pursuant to this Section shall be executed, authenticated and delivered only in denominations of $1,000 principal amount and any integral multiple thereof and registered in such names as the Depository shall direct. Any certificated Initial Security or Private Exchange Security delivered in exchange for an interest in the Restricted Global Security shall, except as otherwise provided by Section 2.3(b), bear the restricted securities legend set forth in Exhibit 1 hereto.

(c) Subject to the provisions of Section 2.4(b), the registered Holder of a Global Security shall be entitled to grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

(d) In the event of the occurrence of either of the events specified in Section 2.4(a), the Company shall promptly make

available to the Trustee a reasonable supply of certificated Securities in definitive, fully registered form without interest coupons.

EXHIBIT 1
to
RULE 144A/REGULATION S APPENDIX

[FORM OF FACE OF INITIAL SECURITY]

[Global Securities Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[FOR REGULATION S GLOBAL NOTE ONLY] UNTIL 40 DAYS AFTER THE COMMENCEMENT OF THE OFFERING, AN OFFER OR SALE OF NOTES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE U.S. SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.

[Restricted Securities Legend]

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED OF IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) THE COMPANY, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE

REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (V) IN ACCORDANCE WITH

ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

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CUSIP ---------

No. ---------- $ ---------

11 1/4% Senior Subordinated Notes Due June 15, 2011

Blum CB Corp., a Delaware corporation, promises to pay to , or registered assigns, the principal sum of Dollars on June 15, 2011.

Interest Payment Dates: June 15 and December 15.

Record Dates: June 1 and December 1.

Additional provisions of this Security are set forth on the other side of this Security.

Dated: June 7, 2001

BLUM CB CORP.,

by

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, N.A. as Trustee, certifies that this is one of the Securities referred to in the Indenture.

by

Authorized Signatory

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[FORM OF REVERSE SIDE OF INITIAL SECURITY]

11 1/4% Senior Subordinated Note Due June 15, 2011

1. Interest

Blum CB Corp., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above; provided, however, that if a Registration Default (as defined in the Registration Rights Agreement) occurs, additional interest will accrue on this Security at a rate of 0.50% per annum (increasing by an additional 0.50% per annum after each consecutive 90-day period that occurs after the date on which such Registration Default occurs up to a maximum additional interest rate of 2.00%) from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured. The Company will pay interest semiannually on June 15 and December 15 of each year, commencing December 15, 2001. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 7, 2001. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

The Company will pay interest on the Securities (except defaulted interest) to the Persons who are registered holders of Securities at the close of business on the June 1 or December 1 next preceding the interest payment date even if Securities are canceled after the record date and on or before the interest payment date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Security (including principal, premium and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on a certificated Security will be made by wire transfer to a U.S. dollar account maintained by the payee with

a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, State Street Bank and Trust Company of California, N.A. (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co- registrar.

4. Indenture

The Company issued the Securities under an Indenture dated as of June 7, 2001 ("Indenture"), between the Company, Parent and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. ss.ss. 77aaa-77bbbb) as in effect on the date of the Indenture (the "Act"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all such terms, and Securityholders are referred to the Indenture and the Act for a statement of those terms.

The Securities are general unsecured obligations of the Company. The Company shall be entitled, subject to its compliance with Section 4.03 of the Indenture, to issue Additional Securities pursuant to Section 2.13 of the Indenture. The Initial Securities issued on the Issue Date, any Additional Securities and all Exchange Securities or Private Exchange Securities issued in exchange therefor will be treated as a single class for all purposes under the Indenture. The Indenture contains covenants that limit the ability of the Company and its subsidiaries to incur additional indebtedness; pay dividends or distributions on, or redeem or repurchase capital stock; make investments; issue or sell capital stock of subsidiaries; engage in transactions with affiliates; transfer or sell assets; guarantee indebtedness; restrict dividends or other payments of subsidiaries; and consolidate, merge or transfer all or substantially all of its assets and the assets of its

subsidiaries. These covenants are subject to important exceptions and qualifications.

5. Optional Redemption

Except as set forth below, the Company shall not be entitled to redeem the Securities at its option prior to June 15, 2006.

On and after June 15, 2006, the Company shall be entitled at its option to redeem all or a portion of the Securities upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed in percentages of principal amount on the redemption date), plus accrued interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date), if redeemed during the 12-month period commencing on June 15 of the years set forth below:

Period	Redemption Price

2006	105.625%
2007	103.750
2008	101.875
2009 and thereafter	100.000%

In addition, prior to June 15, 2004, the Company shall be entitled at its option on one or more occasions to redeem Securities (which includes Additional Securities, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Securities (which includes Additional Securities, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 111 1/4%, plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more Public Equity Offerings (provided that if the Public Equity Offering is an offering by Parent, a portion of the Net Cash Proceeds thereof equal to the amount required to redeem any Securities is contributed to the equity capital of the Company); provided, however, that (1) at least 65% of such aggregate principal amount of Securities (which includes Additional Securities, if any) remains outstanding immediately after the occurrence of each such redemption (other than Securities held, directly or indirectly, by the Company or its Affiliates); and (2) each such redemption occurs within 90 days after the date of the related Public Equity Offering.

6. Special Mandatory Redemption

In the event the Transactions are not consummated on or prior to the 75th day after the Issue Date or the Merger Agreement is terminated at any time prior thereto, the Company shall redeem the Securities at a redemption price equal to 100% of the accreted value thereof on the redemption date (calculated for the period from the Issue Date to such redemption date based on the straight line method over the life of the Securities), plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date). The Company shall be entitled to receive a credit against the accreted value of the Securities required to be redeemed pursuant to this paragraph equal to the accreted value on such redemption date (excluding premium) of any Securities that the Company has acquired or redeemed other than pursuant to this paragraph and has delivered to the Trustee for cancellation. The Company shall be entitled to receive the credit only once for any Security. The Company shall cause the notice of the special mandatory redemption to be mailed no later than the next Business Day following the 75th day after the Issue Date or following the date the Merger Agreement is terminated, as applicable, and shall redeem the Securities three Business Days following the date of notice of redemption.

7. Notice of Redemption

Except as set forth in paragraph 6 above, notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at his registered address. Securities in denominations larger than $1,000 principal amount may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Securities (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

8. Put Provisions

Upon a Change of Control, any Holder of Securities will have the right, subject to certain conditions, to cause the Company to purchase all or any part of the Securities of such Holder at a purchase price equal to 101% of the principal amount

thereof on the date of purchase plus accrued and unpaid interest to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the related interest payment date) as provided in, and subject to the terms of, the Indenture.

9. Subordination

The Securities are subordinated to Senior Indebtedness of the Company, as

defined in the Indenture. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Securities may be paid. The Company agrees, and each Securityholder by accepting a Security agrees, to the subordination provisions contained in the Indenture and authorizes the Trustee to give it effect and appoints the Trustee as attorney-in-fact for such purpose.

10. Guaranty

The payment by the Company of the principal of, and premium and interest on, the Securities is fully and unconditionally guaranteed on a joint and several senior subordinated basis by each of the Guarantors.

11. Denominations; Transfer; Exchange

The Securities are in registered form without coupons in denominations of $1,000 principal amount and whole multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or any Securities for a period of 15 days before a selection of Securities to be redeemed or 15 days before an interest payment date.

12. Persons Deemed Owners

The registered Holder of this Security may be treated as the owner of it for all purposes.

13. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

14. Discharge and Defeasance

Subject to certain conditions, the Company at any time shall be entitled to terminate some or all of its obligations under the Securities and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Securities to redemption or maturity, as the case may be.

15. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture and the Securities may be amended with the written consent of the Holders of at least a majority in principal amount outstanding of the Securities and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount outstanding of the Securities. Subject to certain exceptions set forth in the Indenture, without the consent of any Securityholder, the Company, the Guarantors and the Trustee shall be entitled to amend the Indenture or the Securities to cure any ambiguity, omission, defect or inconsistency, or to comply with Article 5 of the Indenture, or to provide for uncertificated Securities in addition to or in place of certificated Securities, or to add guarantees with respect to the Securities, including Guaranties, or to secure the Securities, or to add additional covenants or surrender rights and powers conferred on the Company or the Guarantors, or to comply with any request of the SEC in connection with qualifying the Indenture under the Act or to make any change that does not adversely affect the rights of any Securityholder.

16. Defaults and Remedies

Under the Indenture, Events of Default include (i) default for 30 days in payment of interest on the Securities; (ii) default in payment of principal on the Securities at maturity, upon redemption pursuant to paragraph 5 or 6 of the

Securities, upon acceleration or otherwise, or failure by the Company to redeem or purchase Securities when required;

(iii) failure by the Company, Parent or any Subsidiary Guarantor to comply with other agreements in the Indenture or the Securities, in certain cases subject to notice and lapse of time; (iv) certain accelerations (including failure to pay within any grace period after final maturity) of other Indebtedness of the Company or any Significant Subsidiary if the amount accelerated (or so unpaid) exceeds $10.0 million; (v) certain events of bankruptcy or insolvency with respect to the Company and the Significant Subsidiaries; (vi) certain judgments or decrees for the payment of money in excess of $10.0 million; and (vii) certain defaults with respect to Guaranties. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Securities may declare all the Securities to be due and payable immediately. Certain events of bankruptcy or insolvency are Events of Default which will result in the Securities being due and payable immediately upon the occurrence of such Events of Default.

Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default (except a Default in payment of principal or interest) if it determines that withholding notice is in the interest of the Holders.

17. Trustee Dealings with the Company

Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or the Trustee shall not have any liability for any obligations of the Company under the Securities or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder waives and releases all such

liability. The waiver and release are part of the consideration for the issue of the Securities.

19. Authentication

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

20. Abbreviations

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

21. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

22. Holders' Compliance with Registration Rights Agreement.

Each Holder of a Security, by acceptance hereof, acknowledges and agrees to the provisions of the Registration Rights Agreement, including the obligations of the Holders with respect to a registration and the indemnification of the Company to the extent provided therein.

23. Governing Law.

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish to any Securityholder upon written request and without charge to the Securityholder a

copy of the Indenture which has in it the text of this Security in larger type. Requests may be made to:

BLUM CB Corp.
909 Montgomery Street
Suite 400
San Francisco, California 94133

Attention: Alan Willis

- ---

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

- ---

Date: _____ Your Signature: _____

- ---

Sign exactly as your name appears on the other side of this Security.

In connection with any transfer of any of the Securities evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act after the later of the date of original issuance of such Securities and the last date, if any, on which such Securities were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Securities are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) [_] to the Company; or

(2) [_] pursuant to an effective registration statement under the Securities Act of 1933; or

(3) [_] inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each

case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(4) [_] outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933;

or

(5) [_] pursuant to the exemption from registration provided by Rule 144 under the Securities Act of 1933.

If such transfer is being made pursuant to an offshore transaction in accordance with Rule 904 under the Securities Act, the undersigned further certifies that :

(i) the offer of the Securities was not made to a person in the United States;

(ii) either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(iii) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903 or Rule 904 of Regulation S, as applicable;

(iv) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;

(v) we have advised the transferee of the transfer restrictions applicable to the Securities; and

(vi) if the circumstances set forth in Rule 904(b) under the Securities Act are applicable, we have complied with the additional conditions therein, including (if applicable) sending a confirmation or other notice stating that the Securities may be offered and sold during the distribution compliance period specified in Rule 903 of Regulation S; pursuant to registration of the Securities under the Securities Act; or pursuant to an available exemption from the registration requirements under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered holder thereof; provided, however, that if box (4) or (5) is checked, the Trustee shall be entitled to require, prior to registering any such transfer of the Securities, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144 under such Act.

_____
Signature

Signature Guarantee:

_____ _____
Signature must be guaranteed Signature

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to

request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Security have been made:

<TABLE>
<CAPTION>

Date of Exchange	Amount of decrease in Principal amount of this Global Security	Amount of increase in Principal amount of this Global Security	Principal amount of this Global Security following such decrease or increase)	Signature of authorized officer of Trustee or Securities Custodian
<S>	<C>	<C>	<C>	<C>

</TABLE>

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.06 or 4.09 of the Indenture, check the box:
[_]

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.06 or 4.09 of the Indenture, state the amount in principal amount: $

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of this Security.)

Signature Guarantee: _____
(Signature must be guaranteed)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT A

[FORM OF FACE OF EXCHANGE SECURITY
OR PRIVATE EXCHANGE SECURITY]

*/If the Security is to be issued in global form add the Global Securities
- -
Legend from Exhibit 1 to Appendix A and the attachment from such Exhibit 1 captioned "[TO BE ATTACHED TO GLOBAL SECURITIES] - SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY".

**/If the Security is a Private Exchange Security issued in a Private Exchange
- --
to an Initial Purchaser holding an unsold portion of its initial allotment, add the Restricted Securities Legend from Exhibit 1 to Appendix A and replace the Assignment Form included in this Exhibit A with the Assignment Form included in such Exhibit 1.

CUSIP _____

No._____ $ _____

11 1/4% Senior Subordinated Notes Due June 15, 2011

Blum CB Corp., a Delaware corporation, promises to pay to , or registered assigns, the principal sum of Dollars on June 15, 2011.

Interest Payment Dates: June 15 and December 15.

Record Dates: June 1 and December 1.

Additional provisions of this Security are set forth on the other side of this Security.

Dated:

BLUM CB CORP.

by

Name:
Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

STATE STREET BANK AND TRUST
COMPANY OF CALIFORNIA, N.A.
as Trustee, certifies that
this is one of the
Securities referred to in
the Indenture.

by

Authorized Signatory

[FORM OF REVERSE SIDE OF SECURITY
OR PRIVATE EXCHANGE SECURITY]

11 1/4% Senior Subordinated Note Due June 15, 2011

1. Interest

Blum CB Corp., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above[; provided, however, that if a Registration Default (as defined in the Registration Rights Agreement) occurs, additional interest will accrue on this Security at a rate of 0.50% per annum (increasing by an additional 0.50% per annum after each consecutive 90-day period that occurs after the date on which such Registration Default occurs up to a maximum additional interest rate of 2.00%) from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured.]1 The Company will pay interest semiannually on June 15 and December 15 of each year, commencing December 15, 2001. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 7, 2001. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

The Company will pay interest on the Securities (except defaulted interest) to the Persons who are registered holders of Securities at the close of business on the June 1 or December 1 next preceding the interest payment date even if Securities are canceled after the record date and on or before the interest payment date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of

public and private debts. Payments in respect of the Securities represented by a Global Security (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all

- -------------------------

1. Insert if at the date of issuance of the Exchange Security or Private Exchange Security (as the case may be) any Registration Default has occurred with respect to the related Initial Securities during the interest period in which such date of issuance occurs.

payments in respect of a certificated Security (including principal, premium and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on a certificated Security will be made by wire
- -------- -------
transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, State Street Bank and Trust Company of California, N.A. (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Securities under an Indenture dated as of June 7, 2001 ("Indenture"), between the Company, Parent and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. (S)(S)

77aaa-77bbbb) as in effect on the date of the Indenture (the "Act"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all such terms, and Securityholders are referred to the Indenture and the Act for a statement of those terms.

The Securities are general unsecured obligations of the Company. The Company shall be entitled, subject to its compliance with Section 4.03 of the Indenture, to issue Additional Securities pursuant to Section 2.13 of the Indenture. The Initial Securities issued on the Issue Date, any Additional Securities and all Exchange Securities or Private Exchange Securities issued in exchange therefor will be treated as a single class for all purposes under the Indenture. The Indenture contains covenants that limit the ability of the Company and its subsidiaries to incur additional indebtedness; pay dividends or distributions on, or redeem or repurchase capital stock; make investments; issue or sell capital stock of subsidiaries; engage in transactions with affiliates; transfer or sell assets; guarantee indebtedness; restrict dividends or other payments of subsidiaries; and consolidate, merge or transfer all or substantially all of its

assets and the assets of its subsidiaries. These covenants are subject to important exceptions and qualifications.

5. Optional Redemption

Except as set forth below, the Company shall not be entitled to redeem the Securities at its option prior to June 15, 2006.

On and after June 15, 2006, the Company shall be entitled at its option to redeem all or a portion of the Securities upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed in percentages of principal amount, on the redemption date) plus accrued interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date), if redeemed during the 12-month period commencing on June 15 of the years set forth below:

Redemption

Period	Price
2006	105.625%
2007	103.750
2008	101.875
2009 and thereafter	100.000%

In addition, prior to June 15, 2004, the Company shall be entitled at its option on one or more occasions to redeem Securities (which includes Additional Securities, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Securities (which includes Additional Securities, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 111 1/4%, plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more Public Equity Offerings (provided that if the Public Equity Offering is an offering by Parent, a portion of the Net Cash Proceeds equal to the amount required to redeem any Securities is contributed to the equity capital of the Company); provided, however, that (1) at least 65% of such aggregate principal amount of Securities (which includes Additional Securities, if any) remains outstanding immediately after the occurrence of each such redemption (other than Securities held, directly or indirectly, by the Company or its Affiliates); and (2) each such redemption occurs within 90 days after the date of the related Public Equity Offering.

6. Special Mandatory Redemption

In the event the Transactions are not consummated on or prior to the 75th day after the Issue Date or the Merger Agreement is terminated at any time prior thereto, the Company shall redeem the Securities at a redemption price equal to 100% of the accreted value thereof on the redemption date (calculated for the period from the Issue Date to such redemption date based on the straight line method over the life of the Securities), plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date). The Company shall be entitled to receive a credit against the accreted value of the Securities required to be redeemed pursuant to this paragraph equal to the accreted value on such redemption date (excluding premium) of any Securities that the Company has acquired or redeemed other than pursuant to this paragraph and has delivered to the Trustee for cancellation. The Company shall be entitled to receive the credit only once for any Security. The Company shall cause the notice of the special mandatory redemption to be mailed no later than the next Business Day following the 75th day after the Issue Date or following the date the Merger Agreement is terminated, as applicable, and shall redeem the Securities three Business Days following the date of notice of redemption.

7. Notice of Redemption

Except as set forth in paragraph 6 above, notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at his registered address. Securities in denominations larger than $1,000 principal amount may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Securities (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

8. Put Provisions

Upon a Change of Control, any Holder of Securities will have the right, subject to certain conditions, to cause the Company to purchase all or any part of the Securities of such Holder at a purchase price equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the related

interest payment date) as provided in, and subject to the terms of, the Indenture.

9. Subordination

The Securities are subordinated to Senior Indebtedness of the Company, as defined in the Indenture. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Securities may be paid. The Company agrees, and each Securityholder by accepting a Security agrees, to the subordination provisions contained in the Indenture and authorizes the Trustee to give it effect and appoints the Trustee as attorney-in-fact for such purpose.

10. Guarantee

The payment by the Company of the principal of, and premium and interest on, the Securities is fully and unconditionally guaranteed on a joint and several senior subordinated basis by each of the Guarantors.

11. Denominations; Transfer; Exchange

The Securities are in registered form without coupons in denominations of $1,000 principal amount and whole multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or any Securities for a period of 15 days before a selection of Securities to be redeemed or 15 days before an interest payment date.

12. Persons Deemed Owners

The registered Holder of this Security may be treated as the owner of it for all purposes.

13. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request unless an abandoned

property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

14. Discharge and Defeasance

Subject to certain conditions, the Company at any time shall be entitled to terminate some or all of its obligations under the Securities and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Securities to redemption or maturity, as the case may be.

15. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture and the Securities may be amended with the written consent of the Holders of at least a majority in principal amount outstanding of the Securities and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount outstanding of the Securities. Subject to certain exceptions set forth in the Indenture, without the consent of any Securityholder, the Company, the Guarantors and the Trustee shall be entitled to amend the Indenture or the Securities to cure any ambiguity, omission, defect or inconsistency, or to comply with Article 5 of the Indenture, or to provide for uncertificated Securities in addition to or in place of certificated Securities, or to add guarantees with respect to the Securities, including Guaranties, or to secure the Securities, or to add additional covenants or surrender rights and powers conferred on the Company or the Guarantors, or to comply with any request of the SEC in connection with qualifying the Indenture under the Act, or to make any change that does not adversely affect the rights of any Securityholder.

16. Defaults and Remedies

Under the Indenture, Events of Default include (i) default for 30 days in payment of interest on the Securities; (ii) default in payment of principal on the Securities at maturity, upon redemption pursuant to paragraph 5 or 6 of the Securities, upon acceleration or otherwise, or failure by the Company to redeem or purchase Securities when required; (iii) failure by the Company, Parent or any Subsidiary Guarantor to comply with other agreements in the Indenture or the Securities, in certain cases subject to notice and lapse of time; (iv) certain accelerations (including failure to pay within any grace period after final maturity) of other Indebtedness of the Company or any Significant Subsidiary if

the amount accelerated (or so unpaid) exceeds $10.0 million; (v) certain events of bankruptcy or insolvency with respect to the Company and the Significant Subsidiaries; (vi) certain judgments or decrees for the payment of money in excess of $10.0 million; and (vii) certain defaults with respect to the Guaranties. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Securities may declare all the Securities to be due and payable immediately. Certain events of bankruptcy or insolvency are Events of Default which will result in the Securities being due and payable immediately upon the occurrence of such Events of Default.

Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default (except a Default in payment of principal or interest) if it determines that withholding notice is in the interest of the Holders.

17. Trustee Dealings with the Company

Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or the Trustee shall not have any liability for any obligations of the Company under the Securities or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities.

19. Authentication

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually

signs the certificate of authentication on the other side of this Security.

20. Abbreviations

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

21. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the

other identification numbers placed thereon.

22. Holders' Compliance with Registration Rights Agreement

Each Holder of a Security, by acceptance hereof, acknowledges and agrees to the provisions of the Registration Rights Agreement, including the obligations of the Holders with respect to a registration and the indemnification of the Company to the extent provided therein.

23. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish to any Securityholder upon written request and without charge to the Securityholder a copy of the Indenture which has in it the text of this Security in larger type. Requests may be made to:

BLUM CB Corp.
909 Montgomery Street
Suite 400
San Francisco, California 94133

Attention: Alan Willis

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Security.

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.06 or 4.09 of the Indenture, check the box:

[_]

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.06 or of the Indenture, state the amount in principal amount: $

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of this Security.)

Signature Guarantee: _____
(Signature must be guaranteed)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT 4.11

Execution Copy

$229,000,000

BLUM CB CORP.

11 1/4% Senior Subordinated Notes Due 2011

REGISTRATION RIGHTS AGREEMENT

May 31, 2001

Credit Suisse First Boston Corporation
Credit Lyonnais Securities (USA) Inc.
HSBC Securities (USA) Inc.
Scotia Capital (USA) Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010-3629

Dear Sirs:

BLUM CB Corp., a Delaware corporation (the "Issuer"), proposes to issue and sell to Credit Suisse First Boston Corporation ("CSFBC"), HSBC Securities (USA) Inc., Credit Lyonnais Securities (USA) Inc. and Scotia Capital (USA) Inc. (the "Initial Purchasers"), upon the terms set forth in a purchase agreement of even date herewith (the "Purchase Agreement"), $229,000,000 aggregate principal amount of its 11 1/4% Senior Subordinated Notes Due 2011 to be guaranteed by the CBRE Holding, Inc. (the "Parent Guarantor") on the issue date (the "Notes"). The Notes will be issued pursuant to an Indenture, dated as of June 7, 2001 (the "Indenture"), among the Issuer, the Parent Guarantor and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"). As part of the Transactions (as defined in the Purchase Agreement), the Issuer will merge with and into CB Richard Ellis Services, Inc., with CB Richard Ellis Services, Inc. as the surviving corporation in such merger (the "Merger"). If the Merger and the other Transactions are consummated on or before the 75th day after the closing of the offering of the Notes, CB Richard Ellis Services, Inc. and its subsidiaries that are guarantors ("Subsidiary Guarantors") under the Credit Agreement to be entered into concurrently with the consummation of the Merger will (1) execute counterparts to this Agreement and the Purchase Agreement, which will cause the obligations of the Issuer under this Agreement and the Purchase Agreement which survive past the closing date of the Merger to be contractually assumed by CB Richard Ellis Services, Inc. and the Subsidiary Guarantors and (2) enter into a supplemental indenture relating to the Indenture, which will cause the obligations of the Issuer to be assumed by CB Richard Ellis Services, Inc. and to be guaranteed on an unconditional senior subordinated basis by the Subsidiary Guarantors (the "Subsidiary Guaranties"). If the Merger and the other Transactions are not consummated on or before the 75th day after the closing of the offering of the Notes or the Merger Agreement (as defined in the Purchase Agreement) is terminated at any time prior thereto, the Issuer will redeem the Notes at a redemption price equal to 100% of the accreted value of the Notes plus accrued and unpaid interest to the date of redemption. As used herein, the "Company" refers to the Issuer and the Parent Guarantor before the Merger and to CB Richard Ellis Services, Inc., the Parent Guarantor and the Subsidiary Guarantors after the Merger. The "Initial Securities" refers to the Notes (which term includes the notes and the guaranty by the Parent Guarantor) before the Merger and the Notes, the Parent Guaranty and the Subsidiary Guaranties after the Merger.

As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company agrees with the Initial Purchasers, for the benefit of the holders of the Initial Securities (including, without limitation, the Initial Purchasers), the Exchange Securities (as defined below) and the Private Exchange Securities (as defined below) (collectively, the "Holders"), as follows:

1. Registered Exchange Offer. Unless not permitted by applicable law (after the Company has complied with the ultimate paragraph of this Section 1), the Company shall prepare and, not later than 90 days (such 90th day being a "Filing Deadline") after the date on which the Merger is consummated (the "Merger Date"), file with the Securities and Exchange Commission (the "Commission") a registration statement (the "Exchange Offer Registration Statement") on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), with respect to a proposed offer (the "Registered Exchange Offer") to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission

from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Company issued under the Indenture, identical in all material respects to the Initial Securities and registered under the Securities Act (the "Exchange Securities"). The Company shall use its reasonable best efforts to (i) cause such Exchange Offer Registration Statement to become effective under the Securities Act within 180 days after the Merger Date (such 180th day being an "Effectiveness Deadline") and (ii) keep the Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "Exchange Offer Registration Period").

If the Company commences the Registered Exchange Offer, the Company (i) will be entitled to consummate the Registered Exchange Offer 20 business days after such commencement (provided that the Company has accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer) and (ii) will be required to consummate the Registered Exchange Offer no later than 40 days after the date on which the Exchange Offer Registration Statement is declared effective (such 40th day being the "Consummation Deadline").

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an "Exchanging Dealer"), is required to deliver a prospectus containing the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section, and (c) Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Securities (as defined below) acquired in exchange for Initial Securities constituting any portion of an unsold allotment, is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; provided, however, that
(i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchasers, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers have sold all

Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below) and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer. Notwithstanding the foregoing, the Company shall not be obligated to keep the Exchange Offer Registration Statement continuously effective to the extent set forth above if the Company determines, in its reasonable judgment, upon advice of counsel, that the continued effectiveness and usability of the Exchange Offer Registration Statement would (i) require the disclosure of material information, which the Company or any of its subsidiaries has a bona fide business reason for preserving as confidential or (ii) interfere with any existing or prospective financing, acquisition, corporate reorganization or other material business situation, transaction or negotiation involving the Company or any of its subsidiaries; provided, however, that the failure to keep the Exchange Offer Registration Statement effective and usable for such reason shall last no longer than 20 days (whereafter Additional Interest (as defined in Section 6(a)) shall

accrue and be payable until the Exchange Offer Registration Statement becomes effective and usable) and shall in no event occur during the first 30 days after the Exchange Offer Registration Statement becomes effective. In the event that the Company does not keep the Exchange Offer Registration Statement continuously effective as provided in the immediately preceding sentence, the number of days during which the Exchange Offer Registration Statement is not continuously effective, which shall include the date the Company gives notice that the Exchange Offer Registration Statement is no longer effective, shall be added on to, and therefore extend, the period during which the Company is obligated to use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "Private Exchange") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company issued under the Indenture and identical in all material respects to the Initial Securities (the "Private Exchange Securities"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "Securities".

In connection with the Registered Exchange Offer, the Company shall:

(a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Registered Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;

(c) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Trustee or an affiliate of the Trustee;

(d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company shall:

(x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;

(y) deliver to the Trustee for cancellation all the Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each Holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a

broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. Shelf Registration. If, (i) applicable interpretations of the staff of the Commission do not permit the Company to effect a Registered Exchange Offer, as contemplated by Section 1 hereof, (ii) the Registered Exchange Offer is not consummated by the 220th day after the Merger Date, (iii) any Initial Purchaser so requests with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer or (iv) any Holder (other than an Exchanging Dealer) is prohibited by law or Commission policy from participating in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradeable Exchange Securities on the date of the exchange and any such Holder so requests, the Company shall take the following actions (the date on which any of the conditions described in the foregoing clauses (i) through (iv) occur, including in the case of clauses (iii) or (iv) the receipt of the required notice, being a "Trigger Date"):

(a) The Company shall as promptly as practicable (but in no event more than 90 days after the Trigger Date (such 90th day being a "Filing Deadline")) file with the Commission and thereafter use its reasonable best efforts to cause to be declared effective: in the case of clause (i), no later than 180 days after the Merger Date and, in the case of clauses (ii) through (iv), no later than 90th date after the Trigger Date (such 180th day after the Merger Date in the case of clause (i), or such 90th day after the Trigger Date in the case of clauses (ii) through (iv) being an "Effectiveness Deadline") a registration statement (the "Shelf Registration Statement" and, together with the Exchange Offer Registration Statement, a "Registration Statement") on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted

Securities by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the "Shelf Registration"); provided, however, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j) below) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof) provided, however, the Company shall not be obligated to keep the Shelf Registration Statement continuously effective to the extent set forth below if (i) the Company determines, in its reasonable judgment, upon advice of counsel, that the continued effectiveness and usability of the Shelf Registration statement would (x) require the disclosure of material information, which the Company or any of its subsidiaries has a bona fide business reason for preserving as confidential or (y) interfere with any financing, acquisition, corporate reorganization or other material transaction involving the Company or any of its subsidiaries, provided that the

failure to keep the Shelf Registration Statement effective and usable for offers and sales of Securities for the reasons set forth in clauses (x) and (y) above shall last no longer than 60 days in any 12- month period (whereafter Additional Interest (as defined in Section 6(a)) shall accrue and be payable until the Shelf Registration Statement becomes effective and usable) and (ii) the Company promptly thereafter complies with the requirements of Section 3(j) hereof, if applicable; provided, further, that the number of days of any actual Suspension Period (as hereinafter defined) shall be added on to, and therefore extend, the two-year period specified above. Any such period during which the Company is excused from keeping the Shelf Registration Statement effective and usable for offers and sales of securities is referred to herein as a "Suspension Period." A Suspension Period shall commence on and include the date that the Company gives notice that the Shelf Registration Statement is no longer effective or the prospectus included therein is no longer usable for offers and sales of Securities and shall end on the earlier to occur of (1) the date on which each seller of Securities covered by the Shelf Registration Statement either receives the copies of the supplemented or amended prospectus contemplated by Section 3(j) hereof or is advised in writing by the Company that the use of the prospectus may be resumed and (2) the expiration of 60 days in any 12-month period during which one or more Suspension Periods has been in effect. The Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is (A) required by applicable law or (B) permitted by this paragraph.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. Registration Procedures. In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company shall use its

reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchasers, which shall contain a summary statement of the positions taken or policies made by the staff of the Commission with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a "Participating Broker-Dealer"), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Initial Purchasers based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders who propose to sell

Securities pursuant to the Shelf Registration Statement as selling securityholders.

(b) The Company shall give written notice to the Initial Purchasers, the Holders of the Securities and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) The Company shall furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference).

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or

supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities pursuant to any Registration Statement the Company shall use its reasonable best efforts to register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of such states of the United States as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; provided, however, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

(i) The Company shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating

Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(m) The Company shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the

Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(o) The Company shall enter into such customary agreements (including, if requested by the Holders of at least 10% of the aggregate principal amount of the outstanding Securities covered thereby, an underwriting agreement in customary form) and take all such other action, if any, as the Holders of at least 10% of the aggregate principal amount of the outstanding Securities shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(p) In the case of any Shelf Registration, the Company shall (i) make reasonably available for inspection by the Holders of the Securities, any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney, accountant or other agent retained by the Holders of the Securities or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and (ii) cause the Company's officers, directors, employees, accountants and auditors to supply all relevant information reasonably requested by the Holders of the Securities or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement (the information supplied pursuant to clauses (i) and (ii) being the "Records"), in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that any such person shall first
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agree in writing with the Company that any information that is reasonably and in good faith designated by the Company as confidential at the time of delivery of such information shall be kept confidential by such person, unless (A) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (B) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of the Registration Statement or the use of any prospectus) or (C) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard such information by such person; provided further that the foregoing inspection and information
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gathering shall be coordinated on behalf of the Initial Purchasers by CSFBC and on behalf of the other parties, by one counsel designated by and on behalf of such other parties as described in Section 4 hereof. Each Holder of Securities and the Initial Purchasers further agree

and shall cause any person reviewing documents on their behalf pursuant to this paragraph (p) to agree, that it will, upon learning that disclosure of such Records is sought pursuant to clause (A) or (B) above, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(q) In the case of any Shelf Registration, the Company, if requested by any Holder of at least 10% of the aggregate principal amount of the outstanding Securities covered thereby, shall cause (i) its counsel to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated, in the case of the initial opinion, the effective date of such Shelf Registration Statement (it being agreed that the matters to be covered by such opinion shall include, without limitation, the due incorporation and good standing of the Company and the Subsidiary Guarantors); the qualification of the Company and the Subsidiary Guarantors to transact business as foreign corporations; the due authorization, execution and delivery of the relevant agreement of the type referred to in Section 3(o) hereof; the due authorization, execution, authentication and issuance, and the validity and enforceability, of the applicable Securities; the absence of material legal or governmental proceedings involving the Company and the Subsidiary Guarantors; the absence of governmental approvals required to be obtained in connection with the Shelf Registration Statement, the offering and sale of the applicable Securities, or any agreement of the type referred to in Section 3(o) hereof; the compliance as to form of such Shelf Registration Statement and any documents incorporated by reference therein and of the Indenture with the requirements of the Securities Act and the Trust Indenture Act, respectively; and, as of the date of the opinion and as of the effective date of the Shelf Registration Statement or most recent post-effective amendment thereto (or in the case of a Shelf

Registration Statement where a new Annual Report on Form 10-K has been filed by the Company subsequent to the effective date of the Shelf Registration Statement or latest post-effective amendment thereto, as of the date of such Annual Report), as the case may be, the absence from such Shelf Registration Statement and the prospectus included therein, as then amended or supplemented, and from any documents incorporated by reference therein of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any such documents, in the light of the circumstances existing at the time that such documents were filed with the Commission under the Exchange Act); (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by any underwriters of the applicable Securities and (iii) its independent public accountants to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(r) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion substantially in the form set forth in Exhibits A and C to the Purchase Agreement, modified as is customary in connection with the preparation of a Registration Statement and (ii) its independent public accountants to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form, meeting the requirements as to the substance thereof as set forth in Section 6(a) of the Purchase Agreement, with appropriate date changes.

(s) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(t) If the Initial Securities have been rated prior to the initial sale of such Initial Securities, the Company will use its reasonable best efforts to confirm such ratings will apply to the Securities covered by a Registration Statement.

(u) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD")) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a "qualified independent underwriter" (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.

(v) The Company shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. Registration Expenses. (a) All expenses incident to the Company's performance of and compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement is ever filed or becomes effective, including without limitation;

(i) all registration and filing fees and expenses;

(ii) all fees and expenses of compliance with federal

securities and state "blue sky" or securities laws;

(iii) all expenses of printing (including printing certificates for the Securities to be issued in the Registered Exchange Offer and the Private Exchange and printing of Prospectuses), messenger and delivery services and telephone;

(iv) all fees and disbursements of counsel for the Company;

(v) all application and filing fees in connection with listing the Exchange Securities on a national securities exchange or automated quotation system pursuant to the requirements hereof; and

(vi) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any person, including special experts, retained by the Company.

(b) In connection with any Registration Statement required by this Agreement, the Company will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities who are tendering Initial Securities in the Registered Exchange Offer and/or selling or reselling Securities pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements (such fees and disbursements not to exceed $10,000) of not more than one counsel, who shall be Cravath, Swaine & Moore unless another firm shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

5. Indemnification. (a) The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the "Indemnified Parties") from and against any losses, claims, damages or liabilities, joint or several, or any actions in

respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that (i) the Company shall not be liable in any such case to
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the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission (A) made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein or (B) resulting from the use of the prospectus during the period when the use of the prospectus was suspended or otherwise unavailable for sales thereunder in accordance with the terms of this Agreement; provided, however, that Holders received at least 10 days prior
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written notice of such suspension or other unavailability; and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Company had previously furnished copies thereof to such Holder or Participating Broker-Dealer; provided further,

however, that this indemnity agreement will be in addition to any liability
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which the Company may otherwise have to such Indemnified Party. The Company shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to

such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the exchange of the Securities, pursuant to the Registered Exchange Offer, or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and

opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d), the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. Additional Interest Under Certain Circumstances. (a) Additional interest (the "Additional Interest") with respect to the Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iv) below being herein called a "Registration Default"):

(i) any Registration Statement required by this Agreement is not filed with the Commission on or prior to the applicable Filing Deadline;

(ii) any Registration Statement required by this Agreement is not declared effective by the Commission on or prior to the applicable Effectiveness Deadline;

(iii) the Registered Exchange Offer has not been consummated on or prior to the Consummation Deadline; or

(iv) any Registration Statement required by this Agreement has been declared effective by the Commission but (A) such Registration Statement thereafter ceases to be effective or (B) such Registration Statement or the related prospectus ceases to be usable in connection with resales of Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Each of the foregoing will constitute a Registration Default whatever the reason for any such event and whether it is voluntary or involuntary or is beyond the control of the Company or pursuant to operation of law or as a result of any action or inaction by the Commission.

Additional Interest shall accrue on the Securities over and above the interest set forth in the title of the Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.50% per annum (the "Additional Interest Rate") for the first 90-day period immediately following the occurrence of such Registration Default. The Additional Interest Rate shall increase by an additional 0.50% per annum with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum Additional Interest Rate of 2.0% per annum.

(b) A Registration Default referred to in Section 6(a)(iv) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events;

provided, however, that in any case if such Registration Default occurs for a
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continuous period in excess of 30 days, Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Additional Interest due pursuant to Section 6(a) will be payable in cash on the regular interest payment dates with respect to the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest Rate by the principal amount of the Securities and further multiplied by a fraction, the numerator of which is the number of days such Additional Interest Rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

(d) "Transfer Restricted Securities" means each Security until (i) the date on which such Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Security is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7. Rules 144 and 144A. The Company shall use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Securities, make publicly available other information so long as necessary to permit sales of their Securities pursuant to Rules 144 and 144A. The Company covenants that it will take such further action as any Holder of Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144

and 144A (including the requirements of Rule 144A(d)(4)). The Company will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchasers upon request. Upon the request of any Holder of Initial Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its Securities pursuant to the Exchange Act.

8. Underwritten Registrations. If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("Managing Underwriters") will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering and shall be reasonably acceptable to the Company.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. Miscellaneous.

(a) Remedies. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under Section 1 and 2 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Sections 1 and 2 hereof. The Company further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements. The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

(c) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents.

(d) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Company.

(2) if to the Initial Purchasers;

Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, NY 10010-3629
Fax No.: (212) 325-8278
Attention: Transactions Advisory Group

with a copy to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Fax No.: (212) 474-3700
Attention: Stephen L. Burns, Esq.

(3) if to the Company, at its address as follows:

CB Richard Ellis Services, Inc.
505 Montgomery Street, Suite 600
San Francisco, California 94111
Fax No.: (415) 733-5555
Attention: Walt Stafford, Esq.

with a copy to:

Simpson Thacher & Bartlett
3330 Hillview Avenue
Palo Alto, CA 94304
Fax No.: (650) 251-5002
Attention: Richard Capelouto, Esq.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(e) Third Party Beneficiaries. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder.

(f) Successors and Assigns. This Agreement shall be binding upon the Company, the Initial Purchasers and their successors and assigns.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(j) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) Securities Held by the Company. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers, the Issuer and the Parent Guarantor in accordance with its terms.

Very truly yours,

BLUM CB CORP.

by /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

CBRE HOLDING, INC.

by /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE FIRST BOSTON CORPORATION
CREDIT LYONNAIS SECURITIES (USA) INC.
HSBC SECURITIES (USA) INC.
SCOTIA CAPITAL (USA) INC.

BY: CREDIT SUISSE FIRST BOSTON CORPORATION
on behalf of the Initial Purchasers

by /s/ Malcolm Price

Name: Malcolm Price
Title: Managing Director

ANNEX A

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

ANNEX B

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of

Distribution."

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , [ ], all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus./(1)/

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

_____

/(1)/ In addition, the legend required by Item 502(e) of Regulation S-K will appear on the back cover page of the Exchange Offer prospectus.

ANNEX D

ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:_____
Address:_____

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Exhibit 5.1

July __, 2001

CBRE Holding, Inc.
909 Montgomery Street, Suite 400
San Francisco, California 94113

Ladies and Gentlemen:

We have acted as counsel to CBRE Holding, Inc., a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the issuance by the Company of (i) an aggregate of 3,236,639 shares of Class A Common stock par value $0.01 per share (together with any additional shares of such stock that may be issued by the Company pursuant to Rule 462(b) (as prescribed by the Commission pursuant to the Act) in connection with the offerings described in the Registration Statement, the "Shares") consisting of: (a) 1,187,982 Shares being offered for direct ownership, (b) 889,819 Shares to be held in the 401(k) plan of CB Richard Ellis Services, Inc. ("CB Richard Ellis Services"), a Delaware corporation that is to be acquired by the Company in a series of transactions that are related to the offerings described in the Registration Statement (the "401(k) Plan") and (c) 1,158,838 Shares that may be issued in the future upon distributions to holders of stock fund units in the CB Richard Ellis Services deferred compensation plan, as amended on the date hereof and as such may be further amended in the connection with the transactions described above (the "Deferred Compensation Plan") and (ii) an aggregate of 1,820,397 options to purchase Shares (the "Options"). To the extent that the offering of Shares to be held in the 401(k) Plan or that may be issued in the future upon distributions under the Deferred Stock Plan are not fully subscribed for,

the number of Shares being offered for direct ownership will be increased by the number of Shares not subscribed for.

The Options will be issued under Option Agreements (the "Option Agreements") between the Company and the grantees of the Options. Each party to an Option Agreement other than the Company is referred to hereinafter as a "Counterparty."

We have examined the Registration Statement and a form of the share certificate for the Shares and a form of an Option Agreement, each of which has been filed with the Commission as an exhibit to the Registration Statement. We also have examined the originals, or duplicates or certified or conformed copies, of such records, agreements, instruments and other documents and have made such other and further investigations as we have deemed relevant and necessary in connection with the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon certificates of public officials and of officers and representatives of the Company.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents. We also have assumed that at the time of execution, countersignature, issuance and delivery of any Options, each of the related Option Agreements will be the valid and legally binding obligation of each Counterparty thereto. We have assumed further that at the time of execution, countersignature, issuance and delivery of any Options , the related Option Agreements will have been duly authorized, executed and delivered by the Company.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

1. With respect to the Shares being offered for direct ownership, (a) when the Board of Directors of the Company (the "Board") has taken all necessary corporate action to authorize and approve the issuance of the Shares and (b) upon payment and delivery in accordance with the applicable definitive subscription agreements approved by the Board, the Shares will be validly issued, fully paid and nonassessable.

2. With respect to the Shares being offered that will be held in the 401(k) Plan, (a) when the Board has taken all necessary corporate action to authorize and approve the issuance of the Shares and (b) upon payment by the 401(k) Plan to the Company of the consideration for the Shares and

delivery of the Shares to the 401(k) Plan, the Shares will be validly issued, fully paid and nonassessable.

3. With respect to the Shares that may be issued in the future upon distributions to holders of stock fund units in the Deferred Compensation Plan, (a) when the Board has taken all necessary corporate action to authorize and approve the issuance of the Shares and (b) upon payment by CB Richard Ellis Services to the Company of the consideration for the Shares and delivery of the Shares to holders of stock fund units in accordance with the Deferred Compensation Plan, the Shares will be validly issued, fully paid and nonassessable.

4. With respect to the Options, (a) when the Board has taken all necessary corporate action to authorize and approve the execution and delivery of the Option Agreements, each in the form filed as an exhibit to the Registration Statement, and (b) upon the due execution, issuance and delivery of such Option Agreements in accordance with the provisions of the applicable Option Agreements, such Options will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms.

Our opinion set forth in paragraph 4 above is subject to the effects of (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (2) general equitable principles (whether considered in a proceeding in equity or at law and (3) an implied covenant of good faith and fair dealing.

We are members of the Bar of the State of New York and we do not express any opinion herein concerning any law other than the Delaware General Corporation Law (including the statutory provisions, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting the foregoing), law of the State of New York and the Federal law of the United States.

We hereby consent to the filing of this opinion letter as Exhibit 5 to the Registration Statement and to the use of our name under the caption "Legal Matters" in the Prospectus included in the Registration Statement.

Very truly yours,

SIMPSON THACHER & BARTLETT

Exhibit 5.2

_____, 2001

OUR FILE NUMBER
126,205-6

WRITER'S DIRECT DIAL
310-246-6799

CBRE Holding, Inc.
909 Montgomery Street
Suite 400
San Francisco, CA 94133

WRITER'S E-MAIL ADRESS
rlowe@omm.com

Re: CB Richard Ellis 401(k) Plan

Gentlemen:

In connection with the preparation of the Registration Statement on Form S-1 (the "Registration Statement") submitted by CBRE Holding, Inc. (the "Company") to the Securities and Exchange Commission with respect to the Class A Common Stock and Options to acquire Class A Common Stock of the Company, you have requested our opinion as to whether the provisions of the written documents constituting the CB Richard Ellis 401(k) Plan, as amended and restated (the "Plan"), comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended. We consent to the use of this opinion as an exhibit to the Registration Statement.

It is our understanding that the amended and restated Plan, adopted on May 21, 1996 and amended on November 25, 1996, July 27, 1997 and August 28, 1997, received a favorable determination letter, dated February 19, 1998, from the Internal Revenue Service (the "Service") that the Plan satisfies applicable requirements of the Internal Revenue Code, including the Tax Reform Act of 1986. It is our further understanding that the amended and restated Plan, adopted on _____, 2001, will be submitted to the Service for a new determination letter no later than December 31, 2001, and that the Plan sponsor will agree to make any amendments requested by the Service as a condition for the issuance of a favorable determination letter.

Based on the foregoing, and our examination of the written documents constituting the Plan, it is our opinion that the form of the amended and restated Plan, as adopted on _____, 2001, satisfies the applicable requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended. Our opinion and any determination letter issued by the Service covers only the form of the Plan and does not address whether in operation the Plan is qualified.

Respectfully submitted,

Exhibit 10.1

2001 CBRE HOLDING, INC.
STOCK INCENTIVE PLAN

1. Purpose of the Plan

The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees, directors or consultants of outstanding ability and to motivate such employees, directors or consultants to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such key employees, directors or consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) "Act": The Securities Exchange Act of 1934, as amended, or any successor act thereto.

(b) "Affiliate": With respect to the Company, any entity directly or indirectly controlling, controlled by, or under common control with, the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

(c) "Award": An Option, Stock Appreciation Right or Other Stock-Based Award granted pursuant to the Plan.

(d) "Beneficial Owner": A "beneficial owner," as such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(e) "Board": The Board of Directors of the Company.

(f) "Change of Control": (i) The sale or disposition, in one or a series of related transactions, of all, or substantially all, of the assets of the Company to any "person" or "group," as defined in Sections 13(d)(3) or 14(d)(2) of the Act (other than Strategic and its Affiliates, Freeman Spogli and their affiliates or any group in which any of the foregoing is a member); or (ii) any person or group (other than Strategic and its Affiliates, Freeman Spogli and their affiliates or any group in which any of the foregoing is a member) is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company (including by way of merger, consolidation or otherwise) and the representatives of Strategic and its affiliates, Freeman Spogli and their affiliates or any group in which any of the foregoing is a member, individually or in the aggregate, cease to have the ability to elect a majority of the Board (for the purposes of this clause (ii), a member of a group will not be considered to be the Beneficial Owner of the securities owned by other members of the group).

(g) "Code": The Internal Revenue Code of 1986, as amended, or any successor thereto.

(h) "Committee": The Board, or any committee of the Board designated by the Board to administer this Plan.

(i) "Company": CBRE Holding, Inc., a Delaware corporation.

(j) "Effective Date": The date the Board approves the Plan, or such later date as is designated by the Board.

(k) "Employment": (i) A Participant's employment if the Participant is an employee of the Company or any of its Affiliates, (ii) a Participant's services as a consultant, if the Participant is a consultant to the Company or its Affiliates and (iii) a Participant's services as an non-employee director, if the Participant is a non-employee member of

the Board.

(l) "Fair Market Value": On a given date, (i) if there should be a public market for the Shares on such date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on any national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted) (the "NASDAQ"), or, if no sale of Shares shall have been reported on the composite tape of any national securities exchange or quoted on the NASDAQ on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used, and (ii) if there should not be a public market for the Shares on such date, the Fair Market Value shall be the value established by the Committee in good faith.

(m) "Freeman Spogli": FS Equity Partners III, L.P. and FS Equity Partners International, L.P., collectively.

(n) "ISO": An Option that is also an incentive stock option granted pursuant to Section 6(d) of the Plan.

(o) "LSAR": A limited stock appreciation right granted pursuant to Section 7(d) of the Plan.

(p) "Offerings": The offerings by the Company of Shares pursuant to the Registration Statement on Form S-1 first filed with the Securities and Exchange Commission on April 24, 2001.

(q) "Other Stock-Based Awards": Awards granted pursuant to Section 8 of the Plan.

(r) "Option": A stock option granted pursuant to Section 6 of the Plan.

(s) "Option Price": The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

(t) "Participant": An employee, director or consultant who is selected by the Committee to participate in the Plan.

(u) "Person": A "person", as such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor sections thereto).

(v) "Plan": The 2001 CBRE Holding, Inc. Stock Incentive Plan.

(w) "Shares": Shares of Class A Common Stock, par value $.01 per share, of the Company.

(x) "Stock Appreciation Right": A stock appreciation right granted pursuant to Section 7 of the Plan.

(y) "Strategic": RCBA Strategic Partners, L.P., a Delaware limited partnership.

(z) "Subscription Agreement": any of the subscription agreements entered into between the Company and the individuals identified therein in connection with the Offerings.

(aa) "Subsidiary": A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

3. Shares Subject to the Plan

The total number of Shares which may be issued under the Plan is _____. The maximum number of Shares for which Options and Stock Appreciation Rights may be granted during a calendar year to any Participant shall be _____. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or the payment of cash upon the exercise of an Award or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate or lapse without the payment of consideration may be granted again under the Plan.

4. Administration

The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who, during any period when the Company and this Plan are subject to the provisions of Section 162(m) of the Code and Section 16 of the Act, are intended to qualify as "Non-Employee Directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto) and "outside directors" within the meaning of Section 162(m) of the Code (or any

successor section thereto). Options may, in the discretion of the Committee, be granted under the Plan in substitution for outstanding options previously granted by the Company or its affiliates or a company acquired by the Company or with which the Company combines. The number of Shares underlying such substitute options shall be counted against the aggregate number of Shares available for Options under the Plan. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Option consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise of an Option. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes, but in no event greater than the Company's minimum statutory rate (based on both the federal and state rates), by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant.

5. Limitations

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

6. Terms and Conditions of Options

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Option Price. The Option Price per Share shall be determined by the Committee at the time of grant and shall be set forth in an Award Agreement; provided, however, that the exercise price per share shall not be less than eighty-five percent (85%) of the Fair Market Value per Share on the date of grant; provided, further, that if the Participant is a 10% Stockholder, then the Option Price per share shall not be less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee. In

no event, however, shall the Committee impose a vesting schedule that is more restrictive than twenty percent (20%) per year, with the

initial vesting to occur not later than one (1) year after the date of grant; provided, further, that such limitation shall not be applicable
to any Participants who are officers of the Company, nonemployee directors or consultants. Notwithstanding the foregoing, in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) Exercise of Options. Except as otherwise provided in the Plan or in an Award Agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of this Section 6, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii) or (iii) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash or its equivalent (e.g., by check), (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such
Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in such Shares or (iv) if there should be a public market for the Shares at such time, subject to such rules as may be established by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(d) ISOs. The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary (a "10% Stockholder"),
unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (x) within two years after the date of grant of such ISO or (y) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount

realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options, unless the applicable Award Agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; provided that such Option (or potion thereof) otherwise complies
with the Plan's requirements relating to nonqualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.

(e) Attestation. Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

7. Terms and Conditions of Stock Appreciation Rights

(a) Grants. The Committee also may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same number of Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 7 (or such additional limitations as may be included in an Award agreement).

(b) Terms. The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the Option Price of the related Option and (ii) the minimum amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (x) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (y) the number of Shares covered by the Stock Appreciation Right.

Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefore an amount equal to (1) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (2) the number of Shares covered by the Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at such Fair Market Value), all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations. The Committee may impose, in its discretion, such conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

(d) Limited Stock Appreciation Rights. The Committee may grant LSARs that are exercisable upon the occurrence of specified contingent events. Such LSARs may provide for a different method of determining appreciation, may specify that payment will be made only in cash and may provide that any related Awards are not exercisable while such LSARs are exercisable. Unless the context otherwise requires, whenever the term "Stock Appreciation Right" is used in the Plan, such term shall include LSARs.

8. Other Stock-Based Awards

The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive, or vest with respect to, one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made; the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such

Awards (including, without limitation, the vesting provisions

thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

9. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares other than regular cash dividends or any transaction similar to the foregoing, the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the maximum number of Shares for which Options or Stock Appreciation Rights may be granted during a calendar year to any Participant, (iii) the Option Price or exercise price of any Stock Appreciation Right and/or (iv) any other affected terms of such Awards.

(b) Change of Control. In the event of a Change of Control after the Effective Date, (i) any outstanding Awards then held by Participants which are unvested or otherwise unexercisable shall automatically be deemed vested or otherwise exercisable, as the case may be, as of immediately prior to such Change of Control and (ii) the Committee may, but shall not be obligated to, (A) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Options and Stock Appreciation Rights, may equal the excess, if any, of the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights over the aggregate exercise price of such Options or Stock Appreciation Rights or (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion.

10. No Right to Employment or Awards

The granting of an Award under the Plan shall impose no obligation on the Company or any Subsidiary to continue the Employment of a Participant and shall not lessen or affect the Company's or Subsidiary's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

11. Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

12. Nontransferability of Awards

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

13. Amendments or Termination

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which, (a) without the approval of the shareholders of the Company, would (except as is provided in Section 9 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, would diminish any of the rights of the Participant under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the

Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.

14. Choice of Law

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

15. Effectiveness of the Plan

The Plan shall be effective as of the Effective Date.

16. Subscription Agreements

Awards granted under the Plan shall be subject to the terms and provisions of the Subscription Agreement applicable to the Participant. The terms and provisions of the Subscription Agreement applicable to a Participant as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein or any Award Agreement and any terms and provisions of a Subscription Agreement applicable to a Participant, the applicable terms and provisions of the Subscription Agreement will govern and prevail.

Exhibit 10.2

FULL RECOURSE NOTE

$_____ _____ __, 2001

FOR VALUE RECEIVED, _____ (the "Borrower"), hereby unconditionally promises to pay to the order of CBRE Holding, Inc., a Delaware corporation. (the "Company"), or its registered assigns, the aggregate principal amount of_____ Dollars ($_____), in lawful money of the United States of America and in immediately available funds (the "Loan"). All capitalized terms not otherwise defined herein shall have the meanings given to them in the Designated Manager Subscription Agreement, dated as of _____ ___, 2001 (the "Agreement"), between the Company and the Borrower.

The Borrower has agreed to purchase shares of the Company's Class A Common Stock, par value $0.01 per share (the "Equity Interest"), and has requested that the Company make the Loan to the Borrower as a portion of the purchase price of the Equity Interest.

1. Interest and Payment.

(a) Interest shall accrue on the principal amount hereof at an annual rate of ten percent (10%), compounded annually, and shall be payable in cash on each March 31, June 30, September 30 and December 31 prior to the payment in full of all unpaid principal and accrued and unpaid interest thereon. All accrued and unpaid interest, together with all unpaid principal, if not sooner paid, shall be due and payable on the earliest of (i) the ninth anniversary of the date first above written; (ii) if the Borrower's employment with the Company is terminated (x) 30 days following the date of such termination of employment if the Borrower's employment was terminated for any reason not described in clause (y), or (y) 180 days following the date of such termination of employment if the Borrower's employment was terminated by the Company without Cause, by the Borrower for Good Reason or as a result of the Borrower's death or disability, provided, however, that if the Borrower timely delivers a Sale Notice pursuant to Section 2.9 of the Agreement and the Company fails to purchase the Note Repayment Shares on the Note Repayment Date pursuant to Section 2.9 of the Agreement, the periods set forth in the preceding clauses (x) and (y), solely with respect to that portion of the Loan then due and payable that otherwise would be repaid by the Borrower with the proceeds from the purchase of the Note Repayment Shares, shall be extended until such time as the Company shall have performed such obligation in full; (iii) the acceleration of the maturity of the Loan (as provided herein); and (iv) the Borrower's receipt of any proceeds (in cash or in kind) upon the sale, exchange or other disposition of the Equity Interest subject to the Pledge Agreement securing Borrower's obligations under this Note; provided that in the case of an event described in this clause (iv), the amount of unpaid principal and accrued and unpaid interest of the Loan which shall become due and payable as a result of such event shall be limited to the Net Proceeds received by the Borrower in connection with such sale, exchange or disposition. Any overdue amount shall bear interest at the rate of twelve percent 12% per annum, compounded annually.

(b) Notwithstanding the foregoing, in the event of the Borrower's death or permanent disability (as defined below), the amount of the Loan due and payable as set forth in Section 1(a)(ii)(y) above shall be limited to the Pledged Interests as defined in the Borrower's Pledge Agreement. Disability occurs when the Borrower becomes physically or mentally incapacitated and is therefore unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform

Borrower's duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of Borrower as to which Borrower and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Borrower and the Company. If Borrower and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Borrower shall be final and conclusive for all purposes of the Agreement.

2. Acceleration. (a) In the event that the Borrower commences an

action under any law relating to bankruptcy, insolvency or relief of debtors, there is commenced against the Borrower an action under any such law which results in the entry of an order for relief or such action remains undismissed for a period of 60 days or the Borrower otherwise becomes insolvent, the obligation of the Borrower hereunder shall automatically be accelerated and (b) in the event that the Borrower defaults in any payment obligation hereunder or in any agreement contained in the Pledge Agreement, the Company may accelerate this Loan and may, by written notice to the Borrower, declare the entire unpaid outstanding principal amount and all such accrued and unpaid interest thereon to be immediately due and payable and, thereupon, in the case of each of clause (a) and (b), the unpaid outstanding principal amount and all such accrued and unpaid interest shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. The failure of the Company to accelerate this Loan shall not constitute a waiver of any of the Company's rights under this Loan as long as any of the events described in this section continue.

3. Pledge Agreement. The obligations of the Borrower hereunder are secured pursuant to the Pledge Agreement dated the date hereof made by the Borrower to the Company.

4. Miscellaneous. To the extent permitted by law, the Borrower hereby waives diligence, presentment, demand, demand for payment, notice of non-payment, notice of dishonor, protest and notice of protest and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.

No waiver or modification of the terms of this Note shall be valid unless in writing signed by the Company and then only to the extent therein set forth.

This Note shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered on the day and year first above written.

_____

Name:
Address:

Exhibit 10.3

2001 CBRE HOLDING, INC.
STOCK INCENTIVE PLAN

OPTION AGREEMENT

THIS AGREEMENT (the "Agreement"), is made effective as of the ____ day of _____ 2001, (the "Date of Grant"), between CBRE Holding, Inc., a Delaware corporation (the "Company"), and _____ (the "Participant"). Capitalized terms not otherwise defined herein shall have the same meanings given them in the 2001 CBRE Holding, Inc. Stock Incentive Plan (the "Plan").

R E C I T A L S:

WHEREAS, the Company has adopted the Plan, which Plan is incorporated herein by reference and made a part of this Agreement; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the Options provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Options. The Company hereby grants to the Participant the right and option to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of _____ Shares (the "Option"), subject to adjustment from time to time pursuant to the Plan. The purchase price of the Shares subject to the Option shall be $16.00 per Share, subject to adjustment from time to time pursuant to the provisions of the Plan. The Options are intended to be non-qualified stock options, and are not intended to be treated as options that comply with Section 422 of the Internal Revenue Code of 1986, as amended.

2. Vesting. The portion of the Option which have become vested and exercisable at any time as described in this Section 2 are hereinafter referred to as the "Vested Portion."

(a) Vesting Schedule.

(i) Subject to Section 2(a)(ii) and Section 2(b) below, the Option shall vest and become exercisable with respect to 20% of the Shares initially subject thereto on the first, second, third, fourth and fifth anniversaries of the Date of Grant.

(ii) Notwithstanding the foregoing, upon a Change of Control, the Option, to the extent not previously canceled pursuant to Section 2(b) below, shall immediately vest and become exercisable with respect to all the Shares at the time subject to the Option.

(b) Termination of Employment.

If the Participant's Employment is terminated for any reason, the Option shall, to the extent not then vested, be canceled by the Company without consideration [; provided, however, that (i) if the Participant's Employment is terminated by the Company or applicable Affiliate without Cause (as defined below) or if the Participant resigns from his or her Employment for Good Reason (as defined below), the Option shall immediately vest and become exercisable for all the Shares at the time subject to the Option or (ii) if the Participant's Employment is terminated due to the Participant's death or Disability (as defined below), the Option shall immediately vest and become exercisable with respect to the number of Shares with respect to which the Option would have become vested and exercisable in the calendar year of such termination of Employment.]/1/ The Vested Portion of the Option shall remain exercisable for the period set forth in Section 3(a).

3. Exercise of Options.

(a) Period of Exercise. Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of:

(i) the tenth anniversary of the Date of Grant;

(ii) one year following the date of the Participant's termination of Employment as a result of death or Disability;

(iii) ninety days following the date of the Participant's termination of Employment by the Company or applicable Affiliate without Cause (other than as a result of death or Disability) or by the Participant for any reason; and

(iv) the date of the Participant's termination of Employment by the Company or applicable Affiliate for Cause.

For purposes of this Agreement:

"Cause" shall mean (i) the Participant's willful failure to perform duties to the Company or its Affiliates, which is not cured within 10 days following written notice from the Company describing such failure, (ii) the Participant's conviction of a felony, (iii) the Participant's willful malfeasance or misconduct which is materially and demonstrably injurious to the Company, or (iv) breach by the Participant of the material terms of any employment agreement with the Company (an "Employment Agreement"), including without limitation all sections thereof addressing non-competition, non-solicitation or confidentiality/2/. [For the purpose of the preceding sentence, clause (i) only applies to the extent Participant refuses to

_____

/1/ Tier I Senior Managers only.

/2/ Tier I Senior Managers only.

undertake the duties of his or her office and does not apply to situations where, although the Participant is undertaking the duties of his or her office to the best of his or her ability in good faith, a disagreement exists with regard to the quality of the services rendered by the Participant; provided further, that no act or failure to act by the Participant shall be considered "willful" unless it is done, or omitted to be done, in bad faith without a reasonable belief that the action or omission was in the best interest of the Company.]/3/

"Disability" shall mean the inability of a Participant to perform in all material respects his or her duties and responsibilities to the Company, or its Affiliates, for a period of six consecutive months or for an aggregate of nine months in any twenty-four consecutive month period by reason of a physical or mental incapacity. Any question as to the existence of a Disability as to which the Participant and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Participant and the Company. If the Participant and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Participant shall be final and conclusive for all purposes of this Agreement.

"Good Reason" shall mean (i) a substantial diminution in the Participant's position or duties, an adverse change in reporting lines, or the assignment of duties materially inconsistent with his or her position; (ii) any reduction in the Participant's base salary or material adverse change in the Participant's bonus opportunity; or (iii) failure of the Company to pay compensation or benefits to the Participant when due under an Employment Agreement; in each of the foregoing clauses (i) through (iii), which is not cured within 30 days following receipt of written notice from the Participant describing the event that would constitute Good Reason if not cured within such period.

(b) Method of Exercise.

(i) Subject to Section 3(a), the Vested Portion of the Options may be exercised by delivering to the Company at its principal office or its designee written notice of intent to so exercise; provided, that, the

Options may be exercised with respect to whole Shares only. Such notice shall specify the number of Shares for which the Options are being exercised and shall be accompanied by payment in full of the Option Price. The purchase price for the Shares as to which Options are exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (A) in cash or its equivalent (e.g., by check); (B) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles); (C) partly in cash and partly in such Shares; or (D) if there should be a public market for the Shares at such time, subject to

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/3/ Tier I Senior Managers only.

such rules as may be established by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased. The Participant shall also be required to pay all withholding taxes relating to the exercise.

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, unless there is an available exemption from such registration or qualification requirements, the Options may not be exercised prior to the completion of any registration or qualification of the Options or the Shares that is required to comply with applicable state and federal securities laws or any ruling or regulation of any governmental body or national securities exchange that the Committee shall in its sole discretion determine in good faith to be necessary or advisable.

(iii) Upon the Company's determination that the Options have been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any delays in issuing the certificates to the Participant, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves.

(iv) Should the Participant die while holding the Options, the Vested Portion of the Options shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 3(a). Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(v) As a condition to exercising the Options, the Participant shall become a party to the Subscription Agreement.

4. No Right to Continued Employment. Neither the Plan nor this Agreement shall be construed as giving the Participant the right to be retained in the Employment of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss the Participant or discontinue any Employment, free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

5. Legend on Certificates. To the extent provided by the Subscription Agreement, the certificates representing the Shares purchased by exercise of the Options shall contain a legend stating that they are subject to the Subscription Agreement and may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Committee may cause an additional legend or legends to be put on any such certificates to make appropriate reference to such other restrictions.

6. Transferability. Except as otherwise permitted by the Committee, the Options are exercisable only by the Participant during the Participant's lifetime and may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment,

alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

7. Withholding and Other Taxes. A Participant shall be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold, any applicable withholding and other taxes in respect of the Options, their exercise or any payment or transfer under the Options or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding and other taxes (which include, without limitation, income tax and national insurance contributions payable under the United Kingdom PAYE regime).

8. Securities Laws. Upon the acquisition of any Shares pursuant to the exercise of the Options, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

10. Choice of Law. THE INTERPRETATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

11. Options Subject to Plan and Subscription Agreement. By entering into this Agreement the Participant agrees and acknowledges that the Participant has received a copy of the Plan and the Subscription Agreement. The Options are subject to the Plan and the Subscription Agreement. The terms and provisions of the Subscription Agreement as it may be amended from time to time in accordance with its respective terms are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan or the Subscription Agreement, the applicable terms and provisions of the Plan or the Subscription Agreement, as applicable, will govern and prevail. In the event of a conflict between any term or provision of the Plan and any term or provision of the Subscription Agreement, the applicable terms and provisions of the Subscription Agreement will govern and prevail.

12. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CBRE HOLDING, INC.

By:_____

Agreed and acknowledged as
of the date first above written:

_____

JAMES J. DIDION

EMPLOYMENT AGREEMENT

This employment agreement ("Agreement") is made effective as of June 1, 1997, by and between CB Commercial, Inc. (the "Company") and James J. Didion ("Executive").

In consideration of the mutual promises and agreements set forth herein, the Company and Executive agree as follows:

1. TERM

1.1 The term of this Agreement ("Term") shall commence on June 1, 1997 and shall terminate on December 31, 2000 unless the Company and executive expressly agree in writing to extend the Term beyond December 31, 2000.

2. POSITION AND TITLE

2.1 The Company hereby employs Executive as its Chairman of the Board and Chief Executive Officer, and Executive hereby accepts such employment.

2.2 Executive shall devote substantially all of his efforts on a full-time basis to the business and affairs of the Company and to its subsidiaries and affiliates. Executive shall not engage in any business or perform any services in any capacity whatsoever that is competitive with the Company.

2.3 Executive shall at al times faithfully, industriously, and to the best of his ability, experience, and talents, perform all of the duties of the office of Chairman of the Board and Chief Executive Officer of the Company.

2.4 As Chairman of the Board and Chief Executive Officer, Executive shall be responsible to the Board of Directors of the Company for all actions and activities of the Company.

3. BASE SALARY

3.1 Executive's annual base salary shall be $500,000 effective January 1, 1997 and payable in equal monthly installments. The cumulative difference between the amount of salary earned by Executive for the period January 1, 1997 through May 31, 1997 and the amount Executive

would have earned had Executive's annual base salary been $500,000 during this period shall be paid to Executive in a lump sum, without interest, no later than June 15, 1997.

3.2 Executive's annual base salary shall be reviewed each January during the Term by the Compensation Committee of the Board of Directors (the "Committee"). Such annual base salary may be increased at the discretion of the Committee based on merit, changes in the competitive market, or other considerations as the Committee shall deem appropriate.

4. ANNUAL INCENTIVE BONUS

4.1 During the Term, Executive shall be eligible for an annual cash incentive bonus beginning with the 1997 calendar year.

4.2 Such annual incentive bonus shall be based on the Company's performance against an EBITDA target mutually agreed to by Executive and the Committee. The EBITDA calculation for bonus determination hall include EBITDA related to acquisitions, but shall exclude "one-time" charges and costs associated with acquisitions. The EBITDA target for 1997

shall be $68.1 million.

4.3 The relationship between Executive's annual incentive bonus opportunity and the Company EBITDA target shall be according to the following table.

Actual EBITDA As A Percent of Target	Bonus As A Percent of Base Salary*
Below 90%	0%
90%	25%
100%	75%
110%	100%
120%	125%
130%	150%
140% and Above	200%

*For performance between discrete points, bonus opportunity shall be interpreted linearly.

4.4 The annual incentive bonus determined in accordance with the table in Paragraph 4.3 hereinabove may be reduced by a maximum of 25% by the

Committee if, in the discretion of the Committee, Executive has failed to satisfactorily achieve other important strategic or personal objectives previously established for Executive by the Board of Directors. Such objectives must be reasonable and must be set forth in writing by March 31 of the year in which performance is being measured.

4.5 The annual incentive bonus earned by Executive shall be payable no later than March 31 of the year following the calendar year in which the bonus is earned.

5. STOCK OPTIONS

5.1 On May 23, 1997, the Company shall cause Executive to be granted stock option for 200,000 shares of the Company's common stock.

5.2 Such stock options shall (i) be granted pursuant to the Company's 1991 Service Providers Stock Option Plan, (ii) be granted at the closing price of the Company's common stock on the date of grant (such price being $21.25 per share), (iii) be in the form of non-qualified stock

options with a term of 10 years from the date of grant, and (iv) vest in 31 equal monthly installments, with the first installment vesting on June 30, 1997 and subsequent installments vesting on the last day of each subsequent month through December 31, 1999.

5.3 Executive acknowledges that the 200,000 stock options granted in accordance with Paragraphs 5.1 and 5.2 hereinabove shall represent the only stock option grants to which Executive is entitled during the Term. Notwithstanding the foregoing, additional stock options may be granted to Executive from time to time during the Term at the sole discretion of, and by, the Board of Directors of the Company.

6. EMPLOYEE BENEFITS AND PERQUISITES

6.1 Executive shall have the right to participate in all medical, life, disability, savings and retirement, and other benefits programs and perquisites offered to other executive officers of the Company, so long as such benefits programs and perquisites are continued by the Company. Among these benefits and perquisites is an automobile allowance of $1,000 per month pursuant to the Company's current policy.

7. TERMINATION OF EMPLOYMENT

7.1 During the Term, the Board of Directors of the Company may terminate Executive's employment herein at any time for "Cause".

For purposes of this Agreement, "Cause" shall be defined as any of the following events: (i) willful and habitual neglect by Executive of his duties under this Agreement except for reason of disability or incapacity, (ii) willful failure by Executive to follow a direct order of the Board of Directors of the Company except in such case where, in the sound business judgment of Executive, following such order would be harmful to the Company, (iii) conduct or action by Executive which, in he opinion of the majority of the members of the Board of Directors, is materially injurious to the Company, and (iv) conviction of Executive of any felony.

7.2 In the event that the Company terminates Executive's employment during the Term for any reason other than for Cause as defined in Paragraph 7.1 hereinabove or as a result of Executive's death or disability, such action hall be considered a Termination Without Cause. In addition,

any reduction in Executive's title, responsibilities, salary, bonus opportunity, benefits and perquisites, or movement of Executive's primary place of business by more than 50 miles from its present location during the Term without Executive's written consent also shall be deemed to be a Termination Without Cause.

7.3 In the event that a Termination Without Cause occurs, then:

(a) the Company shall pay Executive a lump sum severance amount within thirty (30) days following termination equal to two (2) times the sum of (i) Executive's annual base salary in effect as of the date of termination, and (ii) the higher of 75% of Executive's annual base salary in effect as of the date of termination and the annual bonus Executive would have received during the year of termination if the Company has achieved 100% of its EBITDA target and no discretionary reduction in such bonus amount was applied by the Board of Directors;

(b) all unvested stock options and unvested "Equity Incentive Plan" shares previously granted to Executive shall automatically vest in full;

(c) the Company shall provide Executive with substantially the same

level of medical and disability benefits in effect for Executive as of the date of Executive's termination, with Executive remaining obligated to continue to pay employee contributions towards such coverage at the same level as in effect as of the date of Executive's termination until the earlier of (i) the second anniversary of the date of Executive's termination, and (ii) the date Executive becomes employed by another party.

Executive shall not be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of Paragraph 7.3 hereinabove.

7.4 In the event that Executive should die or become disabled or incapacitated for an uninterrupted period in excess of six (6) months during the Term, then (i) all unvested stock options and unvested "Equity Incentive Plan" shares previously granted to Executive shall automatically vest in full, and (ii) Executive (or Executive's

beneficiaries in he event of death) shall be entitled to a prorated annual incentive bonus payment based on the amount Executive would have received had he remained employed for the full calendar year and no discretionary reduction as applied to Executive's bonus as determined by the Company's EBITDA performance in accordance with Paragraph 4.3 hereinabove. Proration of the annual incentive bonus shall be based on the number of full weeks of Executive's employment with the Company during the year divided by 52.

7.5 In the event that Executive should voluntarily resign or is terminated for Cause by the Company during the Term, Executive shall not be entitled to any of the severance benefits described in Paragraph 7.3, including the accelerated vesting of any stock option grants.

8. CHANGE OF CONTROL

8.1 In the event of a Change of Control at any time during the Term of this Agreement, then:

(a) all unvested stock options and unvested "Equity Incentive Plan" shares previously granted to Executive shall vest in full upon the Change of Control;

(b) in the event that a Termination Without Cause occurs within a period of twelve (12) months following the date of the Change of Control, Executive shall be entitled to the termination benefits described in Paragraphs 7.3(a) and 7.3(c) hereinabove; provided that the lump sum severance amount paid to Executive under this Paragraph 8.1(b) which is calculated based on Paragraph 7.3(a) hereinabove shall (i) be reduced to equal the present value, determined in accordance with IRC 280G(d)(4), of the lump sum severance amount which otherwise would be payable under Paragraph 7.3(a), and (ii) shall be reduced to offset compensation and other earned income earned by Executive in the manner provided for in Paragraphs 8.1(c) and 8.1(d) below;

(c) the amount of the lump sum severance amount payable to Executive under Paragraph 8.1(b) which is calculated based on Paragraph 7.3(a) shall be reduced by one hundred percent (100%) of any compensation and other earned income (within the meaning of Section 911(d)(2)(A) of the Internal Revenue Code ("IRC") which is earned by Executive for services rendered to persons or entities

other than the Company or its affiliates for two years following he date of termination. Medical disability benefits shall be offset as provided for in Paragraph 7.3(c);

(d) by December 31 of each year, Executive shall account to the Company with respect to all compensation and other earned income earned by Executive which is required hereunder to be offset against the lump sum severance amount received by Executive from the Company under Paragraph 8.1(b), which is calculated based on Paragraph 7.3(a). If the Company has paid a lump sum severance amount in excess of the amount to which Executive is entitled (after giving effect to the offsets provided for above), Executive shall reimburse the Company for such excess by December 31 of such year. The requirements imposed under this Paragraph 8.1(d) shall terminate two years following the date of Executive's termination.

8.2 Notwithstanding any other provisions in this Agreement or any other agreement, plan or arrangement, if any payment or benefit received or to be received by Executive, whether under the terms of this Agreement, or any other agreement, plan or arrangement with the Company, or any other plan, arrangement or agreement with any person whose actions result in a Change of Control, or any person affiliated with the Company (all such payments and benefits being hereinafter referred to

as "Total Payments") would be subject, in whole or in part, to taxes imposed by IRC Section 4999, when the portion of the Total Payments payable under this Agreement shall be reduced to the extent necessary so that no portion of the Total Payments shall be subject to the parachute excise tax imposed by Section 4999 (after taking into account any reduction in the Total Payments provided by reason of IRC Section 280G in any other plan, arrangement or agreement).

8.3 As used herein, the term "Change of Control" means either (i) the dissolution or liquidation of the Company; (ii) a reorganization, merger or consolidation of the Company with one or more corporations as a result of which the Company is not the surviving corporation; (iii) approval by the stockholders of the Company of any sale, lease, exchange or other transfer (in one or a series of transactions) of all or substantially all of the assets of the Company; (iv) approval by the stockholders of the Company of any merger or consolidation of the Company in which the holders of voting stock of the Company immediately before the merger or consolidation will not own fifty percent (50%) or more

of the outstanding voting

shares of the continuing or surviving corporation immediately after such merger or consolidation; or (v) a change of 50% or more (rounded to the next whole person) in the membership of the Board of Directors of the Company within a 12-month period, unless the election or nomination or election by stockholders of each new director within such period was approved by the vote of at least 75% (rounded to the next whole person) of the directors then still in office who were in office at the beginning of the 12-month period.

9. COVENANTS

9.1 Executive agrees that any and all confidential knowledge or information, including but not limited to customer lists, books, records, data, formulae, specifications, inventions, processes and methods, developments, and improvements, which has or have been or may be obtained or learned by Executive in the course of his employment with the Company, will be held confidential by Executive and that Executive will not disclose the same to any person outside the Company either during his employment with the Company or after his employment with the Company has terminated.

9.2 Executive agrees that upon termination of his employment with the

Company, he will immediately surrender and turn over to the Company all customer lists, books, records, forms, specifications, formulae, data, and all papers and writings relating to the business of the Company and all other property belonging to the Company, it being understood and agreed that the same are the sole property of the Company and that Executive will not make or retain any copies thereof.

9.3 Executive agrees that al inventions, developments or improvements which he make, conceive, invent, discover or otherwise acquire during his employment with the Company in the scope of his responsibilities or otherwise shall become the sole property of the Company.

10. MISCELLANEOUS

10.1 All terms and conditions of this Agreement are set forth herein, and there are no warranties, agreements or understandings, express or implied, except those expressly set forth herein.

10.2 Any modification of this Agreement shall be binding only if evidenced

in writing signed by both parties hereto.

10.3 In any action at law or in equity or enforce any of the provisions or rights under this Agreement, the unsuccessful party to such legislation, as determined by the Court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party or parties shall recover judgment in any such action or proceeding, such costs, expenses, and attorneys' fees shall be included as part of such judgment. Notwithstanding the foregoing provision, in no event shall the successful party or parties be entitled to recover an amount from the unsuccessful party or parties for costs, expenses and attorneys' fees that exceeds the costs, expenses and attorneys' fees of the unsuccessful party or parties in connection with the action or proceeding.

10.4 Any notice or other communication required or permitted to be given hereunder shall be deemed properly given if personally delivered or deposited in the United States mail, registered or certified and postage prepaid, addressed to the Company at 533 South Fremont Avenue, Los Angeles, CA 90071-1798, or to Executive at P.O. Box 1441, Pebble

Beach, CA 93953, or at such other addresses as may from time to time be designated in writing by the respective parties.

10.5 The laws of the State of California shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties involved.

10.6 In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the same shall not affect any of the other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

10.7 This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Company, and the personal representatives, heirs and legatees of Executive.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the

date first above written.

CB COMMERCIAL, INC.

By /s/ Peter Ueberroth

Peter Ueberroth
Chairman of the Compensation Committee of the Board of Directors

EXECUTIVE

/s/ James J. Didion

James J. Didion
Chairman & Chief Executive Officer

Exhibit 10.11(a)

EXECUTION COPY

CREDIT SUISSE FIRST BOSTON
Eleven Madison Avenue
New York, NY 10010

February 23, 2001

BLUM CB Corp.
In care of RCBA Strategic Partners, L.P.
909 Montgomery Street
San Francisco, CA 94133

Attention of Claus Moller

Project Radio
$500,000,000 Senior Secured Credit Facilities
Commitment Letter

Ladies and Gentlemen:

You have advised Credit Suisse First Boston ("CSFB") that you intend to consummate the Recapitalization and the other Transactions (such terms and each other capitalized term used but not defined herein having the meanings assigned in the Summary of Principal Terms and Conditions attached hereto as Exhibit A (the "Term Sheet")).

You have further advised us that, in connection therewith, the Borrower will obtain the senior secured credit facilities (the "Facilities") described in the Term Sheet, in an aggregate principal amount of up to $500,000,000.

In connection with the foregoing, you have requested that CSFB agree to structure, arrange and syndicate the Facilities, commit to provide the Facilities and agree to serve as administrative agent, sole book manager and sole lead arranger for the Facilities.

CSFB is pleased to advise you of its commitment to provide the entire amount of the Facilities, upon the terms and subject to the conditions set forth or referred to in this commitment letter (the "Commitment Letter") and in the Term Sheet.

It is agreed that CSFB will act as the sole and exclusive administrative agent, sole book manager and sole lead arranger for the Facilities, and that it will, in such capacities, perform the duties and

exercise the authority customarily performed and exercised by it in such roles. You agree that no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheet and the Fee Letter referred to below) will be paid in connection with the Facilities unless you and we shall so agree.

We intend to syndicate the Facilities to a group of financial institutions (together with CSFB, the "Lenders") identified by us in consultation with you. We intend to commence syndication efforts promptly upon the execution of this Commitment Letter, and you agree actively to assist us in completing a syndication satisfactory to us and you. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication efforts benefit materially from your existing lending relationships and, to the extent reasonably practicable, the existing lending relationships of the Sponsor and the Borrower, (b) direct contact and meetings between senior management, representatives and advisors of you and of the Borrower and (i) the proposed Lenders and (ii) ratings agencies, (c) assistance by you and the Borrower in the preparation of a Confidential Information Memorandum for the Facilities and other marketing materials to be used in connection with the syndication and (d) the conducting, with the assistance of CSFB, of an investor roadshow and of one or more meetings of prospective Lenders.

CSFB will manage all aspects of the syndication, including (in consultation with you) decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate (subject to your approval, which will not be unreasonably withheld), the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist us in our syndication efforts, you agree promptly to prepare and provide (or to use commercially reasonable efforts to cause the Borrower to provide) to us all information with respect to the Borrower and its subsidiaries, the Transactions and the other transactions contemplated hereby, including all financial

information and projections (the "Projections"), as we may reasonably request. You hereby represent and covenant that, to the best of your knowledge, (a) all information other than the Projections (the "Information") that has been or will be made available to CSFB by you or any of your representatives in connection with the Transactions is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole, not materially misleading in light of the circumstances under which such statements are made and (b) the Projections that have been or will be made available to CSFB by you or any of your representatives have been or will be prepared in good faith based upon assumptions that, taken as a whole, are reasonable at the time made and at the time the related Projections are

made available to CSFB (although no representation is made that the Projections will be achieved). You agree that if at any time prior to the closing of the Facilities any of the representations in the preceding sentence would be incorrect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will promptly supplement (or cause the Borrower to supplement) the Information and the Projections so that such representations will be correct under those circumstances. In arranging and syndicating the Facilities, we will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof.

As consideration for CSFB's commitment hereunder and agreement to perform the services described herein, you agree to pay (or to cause the Borrower to pay) to CSFB the fees set forth in the Term Sheet and in the Fee Letter dated the date hereof and delivered herewith with respect to the Facilities (the "Fee Letter").

The commitment of CSFB hereunder and their agreements to perform the services described herein are subject to (a) the Board of Directors of the Borrower approving and recommending the Merger to the stockholders of the Borrower, (b) our not having discovered or otherwise become aware of any information not previously disclosed to us or not in the public domain that we believe to be inconsistent in a material and adverse manner with our understanding, based on the information, taken as a whole, provided to us prior to the date hereof, of the business, assets, operations or condition (financial or otherwise) of the Borrower and its subsidiaries, taken as a whole, (c) there not having occurred any event, change or condition that has had or could reasonably be expected to have a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Borrower and its subsidiaries, taken as a whole, since December 31, 1999, (d) there not having occurred after the date hereof a material disruption of, or material adverse change in, financial, banking or capital market conditions that in our reasonable good faith judgment could adversely affect the syndication of the Facilities, (e) our reasonable satisfaction that, prior to and during the syndication of the Facilities, there shall be no competing issues of debt securities or commercial bank or other credit facilities of the Borrower or its subsidiaries being offered, placed or arranged, (f) the negotiation, execution and delivery of definitive documentation with respect to the Facilities satisfactory to CSFB and its counsel, (g) CSFB's having been afforded a period of not less than 25 business days from the distribution of the Confidential Information Memorandum to potential syndicate members to syndicate the Facilities and (h) the other conditions set forth in the Term Sheet or in Exhibit B hereto. The terms and conditions of our commitments hereunder and of the Facilities are not limited to those set forth herein and in the Term Sheet and such Exhibit. Those matters that are not covered by or made clear under the

provisions hereof and of the Term Sheet and such Exhibit are subject to the approval and agreement of CSFB and the Borrower.

You agree (a) to indemnify and hold harmless CSFB and its affiliates and their respective officers, directors, employees, agents and controlling persons from and against any and all actual losses, claims, damages, liabilities and expenses, joint or several, to which any such persons may become subject arising out of or in connection with this Commitment Letter, the Fee Letter, the Term Sheet, the Transactions, the Facilities or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any of such indemnified persons is a party thereto, and to reimburse each of such indemnified persons upon demand for the reasonable legal or other out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found in a final judgment of a court to have resulted from the willful misconduct or gross negligence of such indemnified person, and (b) to reimburse CSFB at the closing or, if the Recapitalization shall not be consummated and you or any of your affiliates shall receive any compensation in the nature of a break-fee, expense reimbursement or similar payment, upon presentation of a summary statement, for

all reasonable out-of-pocket expenses (including but not limited to expenses of CSFB's due diligence investigation, fees of consultants approved by you, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of a single outside counsel in each relevant jurisdiction), in each case incurred in connection with the Facilities and the preparation of this Commitment Letter, the Term Sheet, the Fee Letter, the definitive documentation for the Facilities and any security arrangements in connection therewith; provided that, if the Recapitalization shall not be consummated, your reimbursement obligations pursuant to this clause (b) shall not exceed the difference between the amount of such break-fee, expense reimbursement or other similar payment less the amount of your unreimbursed out-of-pocket costs relating to the Transactions. Notwithstanding any other provision of this Commitment Letter, no indemnified person shall be liable for any indirect or consequential damages in connection with its activities related to the Facilities.

You acknowledge that CSFB may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. CSFB will not use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or its other relationships with you in connection with the performance by CSFB of services for other companies, and CSFB will not furnish any such information to other companies. You also acknowledge that CSFB has no obligation to use in connection with the

transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by CSFB from other companies.

This Commitment Letter and CSFB's commitment hereunder shall not be assignable by you without the prior written consent of CSFB (and any attempted assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto (and indemnified persons), is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and indemnified persons) and is not intended to create a fiduciary relationship between the parties hereto. CSFB may assign its commitment hereunder to any of its affiliates or any Lender. Any such assignment to an affiliate will not relieve CSFB from any of its obligations hereunder unless and until such affiliate shall have funded the portion of the commitment so assigned. Any assignment to a Lender shall be subject to your written consent (which shall not be unreasonably withheld) and shall release CSFB from the portion of its commitment hereunder so assigned; provided that such assignee agrees in writing to be bound by the terms hereof and the Fee Letter. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by CSFB and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into between us with respect to the Facilities and set forth the entire understanding of the parties with respect thereto. This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER.

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter, the Term Sheet or the Fee Letter nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to the directors, officers, employees, attorneys, accountants and advisors on a confidential and need-to-know basis of RCBA Strategic Partners, L.P. (as well as its partners and members), the other investors and BLUM CB Corp. or (b) as required by applicable law or compulsory legal process (in which case you agree to inform us promptly thereof); provided that you may disclose this Commitment Letter, the Term Sheet and the contents hereof and thereof (but not the Fee Letter or the contents thereof) (i) to the Borrower and its attorneys, accountants and

advisors, on a confidential and need-to-know basis and (ii) in any public filing relating to the Merger.

CSFB shall use all confidential information provided to CSFB by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information; provided, however, that nothing herein shall prevent CSFB from

disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case CSFB agrees to inform you promptly thereof), (b) upon the request or demand of any regulatory authority having jurisdiction over CSFB or any of its affiliates (in which case CSFB agrees to inform you promptly thereof), (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by CSFB, (d) to CSFB's employees, legal counsel, independent auditors and other experts or agents who need to know such information and are informed of the confidential nature of such information, (e) to any affiliate of CSFB (with CSFB being responsible for its affiliates' compliance with this paragraph) or (f) for purposes of establishing a "due diligence" defense.

The compensation, reimbursement, indemnification and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or CSFB's commitment hereunder; provided that your obligations under this Commitment Letter (other than those relating to confidentiality and to the syndication of the Facilities), shall automatically terminate and be superseded by the definitive documentation relating to the Facilities upon the initial funding thereunder, and you shall be released from all liability in connection therewith at such time.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof and of the Term Sheet and the Fee Letter by returning to us executed counterparts hereof and of the Fee Letter and the Backstop Letter of even date herewith with the Sponsor not later than 5:00 p.m., New York City time, on February 23, 2001. CSFB's commitment hereunder and agreements contained herein will expire at such time in the event that CSFB has not received such executed counterparts in accordance with the immediately preceding sentence. In the event that the initial borrowing in respect of the Facilities does not occur on or before July 20, 2001, then this Commitment Letter and CSFB's commitment and undertakings hereunder shall automatically terminate unless CSFB shall, in its discretion, agree to an extension. Before such date, CSFB may terminate this Commitment Letter if any event occurs or information becomes available that results in the failure to satisfy any condition precedent set forth herein, in the Term

Sheet or in Exhibit B hereto; provided that such failure could not reasonably be expected to be cured prior to the expiration of this Commitment Letter.

CSFB is pleased to have been given the opportunity to assist you in connection with the financing for the Recapitalization.

Very truly yours,

CREDIT SUISSE FIRST BOSTON,

by /s/ Bruce King

Name: Bruce King
Title: Managing Director

by /s/ Cristopher Conningham

Name: Cristopher Conningham
Title: Managing Director

Accepted and agreed to as of
the date first above written:

BLUM CB CORP.,

by /s/ Claus Moller

Name: Claus Moller
Title:

Project Radio
$500,000,000 Senior Secured Credit Facilities
Summary of Principal Terms and Conditions

Borrower:	CB Richard Ellis Services, Inc., a Delaware corporation (the "Borrower").
Transactions:	A Delaware corporation ("Holdings") to be formed by RCBA Strategic Partners, L.P. (the "Sponsor") and certain other investors (together with the Sponsor, the "Investors") intends to acquire all the capital stock of the Borrower pursuant to an agreement and plan of merger (the "Merger Agreement") to be entered into among Holdings, a wholly owned subsidiary of Holdings ("Merger Sub") and the Borrower. Pursuant to the Merger Agreement, Merger Sub will merge (the "Merger") with and into the Borrower, with the Borrower being the surviving corporation in the merger. In connection with the Merger (a) the Investors will contribute to Holdings an aggregate amount of total equity (in the form of cash or rollover equity) of not less than $235,000,000 (such amount not to include the proceeds of the senior unsecured notes described in (c) below), with not less than approximately $98,800,000 of such amount being in the form of new common equity contributed in cash by the Investors and certain employees and members of management of the Borrower to Holdings as common equity, (b) Holdings will contribute the amount of cash equity so received to Merger Sub as cash common equity in exchange for the issuance to Holdings of all the common stock of Merger Sub, and (c) Holdings will issue $75,000,000 in aggregate principal amount of its new 16% senior unsecured notes (the "Notes") in a private placement and will contribute the amount so received to Merger Sub as cash common equity (the equity contributions described in clauses (a), (b), and (c) being referred to herein collectively as the "Cash Equity Contribution"). In connection with the Merger, (a) the existing stockholders of the Borrower (other than the Investors) will receive aggregate merger consideration of approximately $348,700,000 (consisting of cash and/or "rollover" equity of Holdings) and (b) certain long-term debt of the Borrower and its subsidiaries in an aggregate amount of approximately $21,200,000 related to various financings (the "Existing Seller Notes") will remain outstanding; provided that,the Investors will contribute additional cash, if necessary, to ensure that the total equity is not less than $235,000,000. Holdings may increase the amount of common equity invested in Merger Sub to replace an equivalent amount of debt financing. The foregoing transactions are collectively referred to herein as the "Recapitalization". After giving effect to the Recapitalization, the outstanding capital stock of the Borrower will be beneficially owned approximately 42% by the Sponsor and 58% by the other Investors. In connection with the Recapitalization, (a) the Borrower will repay all amounts outstanding under, and will terminate, its existing credit agreement dated as of May 20, 1998 (the "Existing Credit Agreement"), with Bank of America, N.A. and a syndicate of lenders, (b) the Borrower will tender to repurchase (the "Debt Tender Offer") 100% of its outstanding 8-7/8% senior subordinated notes due 2006 (the "Existing Subordinated Notes" and, together with the Existing Credit Agreement, the "Existing Debt") and will seek the consent (the "Consent Solicitation") of the holders thereof to amend the indenture relating thereto to remove the covenants and restrictions therein that would prevent the Transactions (as defined below), (c) the Borrower will obtain the senior secured credit facilities described below under

the caption "Facilities", and (d) fees and expenses incurred in connection with the foregoing will be paid. The transactions described in this paragraph, together with the Recapitalization, are collectively referred to herein as the "Transactions".

Sources and Uses: The approximate sources and uses of the funds necessary to consummate the Transactions are set forth in Exhibit C to the Commitment Letter.

Administrative Agent: Credit Suisse First Boston ("CSFB") will act as sole and exclusive administrative agent and collateral agent (collectively, the "Agent") for a syndicate of financial institutions (together with CSFB, the "Lenders"), and will perform the duties customarily associated with such roles.

Book Manager and Sole Lead Arranger: CSFB will act as sole and exclusive book manager and sole lead arranger for the Facilities (the "Arranger"), and will perform the duties customarily associated with such roles.

Facilities:

(A) Two Senior Secured Term Loan Facilities in an aggregate principal amount of up to $400,000,000 (the "Term Facilities"), such aggregate principal amount to be allocated between (i) a Tranche A Term Loan Facility in an aggregate principal amount of $150,000,000 (the "Tranche A Facility") and (ii) a Tranche B Term Loan Facility in an aggregate principal amount of $250,000,000 (the "Tranche B Facility").

(B) A Senior Secured Revolving Credit Facility in an aggregate principal amount of up to $100,000,000 (the "Revolving Facility" and, together with the Term Facilities, the "Facilities"), of which up to an amount to be agreed upon will be available in the form of letters of credit.

In connection with the Revolving Facility, CSFB will make available to the Borrower a swingline facility under which the Borrower may make short-term borrowings of up to an aggregate amount to be agreed upon. Except for purposes of calculating the commitment fee referred to below, any such swingline loans will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender under the Revolving Facility will, promptly upon request by CSFB, fund to CSFB its pro rata share of any swingline borrowings.

Purpose:

(A) The proceeds of the Term Facilities will be used by the Borrower, on the date of the initial borrowing under the Facilities (the "Closing Date"), together with the Cash Equity Contribution, solely (a) to pay the cash consideration payable in the Recapitalization,

(b) to refinance the Existing Debt, (c) to pay related fees and expenses and (d) to provide for working capital and other general corporate purposes.

(B) The proceeds of loans under the Revolving Facility will be used by the Borrower solely for working capital and other general corporate purposes.

(C) Letters of credit will be used by the Borrower solely for working capital and other general corporate purposes.

Availability:

(A) The full amount of the Term Facilities must be drawn in a single drawing on the Closing Date. Amounts borrowed under the Term Facilities that

are repaid or prepaid may not be reborrowed.

(B) Loans under the Revolving Facility will be available on and after the Closing Date and at any time prior to the final maturity of the Revolving Facility, in minimum principal amounts to be agreed upon. Amounts repaid under the Revolving Facility may be reborrowed.

Interest Rates and Fees: As set forth on Annex I hereto.

Default Rate: The applicable interest rate plus 2% per annum.

Letters of Credit: Letters of credit under the Revolving Facility will be issued by CSFB or one of its affiliates (the "Issuing Bank"). Each letter of credit shall expire not later than the earlier of (a) 12 months after its date of issuance and (b) the fifth business day prior to the final maturity of the Revolving Facility.

Drawings under any letter of credit shall be reimbursed by the Borrower on the same business day. To the extent that the Borrower does not reimburse the Issuing Bank on the same business day, the Lenders under the Revolving Facility shall be irrevocably obligated to reimburse the Issuing Bank pro rata based upon their respective Revolving Facility commitments.

The issuance of all letters of credit shall be subject to the customary procedures of the Issuing Bank.

Final Maturity and Amortization:

(A) Tranche A Facility

The Tranche A Facility will mature on the sixth anniversary of the Closing Date, and will amortize in equal quarterly installments in the following annual amounts:

Year	Annual Amortization
1	$22,500,000
2	$22,500,000
3	$26,250,000
4	$26,250,000
5	$26,250,000
6	$26,250,000

(B) Tranche B Facility

The Tranche B Facility will mature on the seventh anniversary of the Closing Date, and will amortize in equal quarterly installments in an annual amount equal to 1% of the outstanding principal amount on the Closing Date of such Facility, with the balance due and payable at the final maturity.

(C) Revolving Facility

The Revolving Facility will mature on the sixth anniversary of the Closing Date.

Guarantees: All obligations of the Borrower under the Facilities and under any interest rate protection or other hedging arrangements entered into with a Lender or any affiliate thereof ("Hedging Arrangements") will be unconditionally guaranteed (the "Guarantees") by Holdings and by each existing and subsequently acquired or organized domestic subsidiary of the Borrower.

Security The Facilities, the Guarantees and any Hedging Arrangements will be secured initially by all accounts receivable, cash, general intangibles, investment property, intellectual property and

capital stock of or owned by the Borrower and each existing and subsequently acquired or organized domestic subsidiary of the Borrower (collectively, including the proceeds thereof, the "Collateral"); provided that neither the Borrower nor any domestic subsidiary shall be required to pledge more than 65% of the voting stock of any foreign subsidiary. In addition, the Borrower and its domestic subsidiaries will be required to grant liens in respect of material property (including mortgages on any material real property) acquired after the Closing Date, subject to exceptions for any such property subject to a lien permitted by the definitive credit documentation and other exceptions to be agreed upon.

All the above-described security interests shall be created on terms, and pursuant to documentation, reasonably satisfactory to the Lenders, and none of the Collateral shall be subject to any other liens, except permitted liens to be agreed upon.

Mandatory Prepayments: Loans under the Term Facilities shall be prepaid with (a) 75% of Excess Cash Flow (to be defined, but such definition shall allow for co-investments and acquisitions customary in the real estate services industry) for each fiscal year of the Borrower, which shall be reduced to 50% of Excess Cash Flow for any fiscal year if the ratio of Total Debt to EBITDA at the end of such fiscal year was less than 2 to 1, (b) 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by the Borrower and its subsidiaries (including insurance and condemnation proceeds), subject to baskets and reinvestment provisions to be agreed upon, (c) 100% of the net cash proceeds of issuances of debt obligations of Holdings and its subsidiaries (other than debt obligations of L.J. Melody and non-recourse debt obligations incurred in the establishment or operation of joint ventures for which special purpose subsidiaries of the Borrower are general partners) and (d) 100% of the net cash proceeds of issuances of equity securities of Holdings and its subsidiaries, in each case subject to exceptions to be agreed upon, including

exceptions for the sale of interests in certain offices of the Borrower or its subsidiaries to employees and joint venture partners.

The above-described mandatory prepayments shall be allocated between the Term Facilities pro rata, subject to the provisions Within each Term Facility, mandatory prepayments shall be applied pro rata to the remaining amortization payments under such Term Facility.

Special Application Provisions: Holders of loans under the Tranche B Facility may, so long as loans are outstanding under the Tranche A Facility, decline to accept any mandatory prepayment described above and, under such circumstances, all amounts that would

	otherwise be used to prepay loans under the Tranche B Facility shall be used to prepay loans under the Tranche A Facility pro rata.
Voluntary Prepayments and Reductions in Commitments:	Voluntary reductions of the unutilized portion of the Facilities commitments and prepayments of borrowings will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period. All voluntary prepayments of the Term Facilities will be allocated pro rata between the Term Facilities and applied first to the scheduled installments of principal under each Term Facility coming due within the next 12 months and then pro rata to the remaining scheduled installments of principal under each Term Facility.
Representations and Warranties:	Usual for facilities and transactions of this type to be agreed upon by the Borrower and the Agent (the Borrower's agreement not to be unreasonably withheld), with materiality and other customary limitations and exceptions to be agreed upon, including accuracy of financial statements and other information; no material adverse change; absence of litigation; no violation of agreements or instruments; compliance with laws (including

	ERISA, margin regulations and environmental laws); payment of taxes; ownership of properties; inapplicability of the Investment Company Act and the Public Utility Holding Company Act; solvency; effectiveness of governmental approvals; labor matters; environmental matters; and validity, priority and perfection of security interests in the Collateral.
Conditions Precedent to Initial Borrowing:	Usual for facilities and transactions of this type to be agreed upon by the Borrower and the Agent, including delivery of satisfactory legal opinions; first-priority perfected security interests in the Collateral (free and clear of all liens); execution of the Guarantees, which shall be in full force and effect; accuracy of representations and warranties in all material respects; absence of defaults, prepayment events or creation of liens under debt instruments or other agreements; evidence of authority; payment of fees and expenses; and obtaining of reasonably satisfactory insurance. The initial borrowing under the Facility will also be subject to the conditions precedent set forth on Exhibit B to the Commitment Letter.
Conditions Precedent to all Borrowings:	Delivery of notice, accuracy of representations and warranties in all material respects and absence of defaults.
Affirmative Covenants:	Usual for facilities and transactions of this type to be agreed upon by the Borrower and the Agent (the agreement of the Borrower not to be unreasonably withheld) (to be applicable to Holdings, the Borrower and its subsidiaries), with materiality and other customary limitations and exceptions to be agreed upon, including maintenance of

corporate existence and rights; performance of obligations; delivery of financial statements and other financial information; delivery of notices of default, litigation and material adverse change; maintenance of properties in good working order; maintenance of reasonably satisfactory insurance; compliance with laws; inspection of books and properties; further assurances; and payment of taxes.

Negative Covenants: Usual for facilities and transactions of this type to be agreed upon by the Borrower and the Agent (the agreement of the Borrower not to be unreasonably withheld) (to be applicable to Holdings, the Borrower and its subsidiaries), with exceptions and baskets to be agreed upon (including baskets to be agreed upon in the indebtedness, liens, asset sales, debt prepayments and investment covenants for L. J. Melody and for investments by the Borrower and its subsidiaries in real estate funds (including U.S. and foreign joint ventures) and the incurrence of non-recourse debt), including, without limitation, limitations on dividends on, and redemptions and repurchases of, capital stock; limitations on prepayments, redemptions and repurchases of debt (other than loans under the Facilities); limitations on liens and sale-leaseback transactions; limitations on loans and investments (subject to the exceptions described above); limitations on debt and hedging arrangements; limitations on mergers, acquisitions and asset sales (subject to exceptions to be mutually agreed with respect to L.J. Melody and joint ventures); limitations on transactions with affiliates; limitations on changes in business conducted by the Borrower and its subsidiaries; limitations on amendments of material debt and other material agreements; and limitations on capital expenditures.

Notwithstanding the foregoing, so long as at the time thereof and after giving pro forma effect thereto no default shall have occurred and be continuing or would result therefrom, the Borrower may pay cash dividends to Holdings to the extent necessary to allow Holdings to pay interest on the Notes when and as due.

Selected Financial Covenants: (a) Maximum ratios of Total Debt to EBITDA, (b) minimum interest coverage ratios and (c) minimum fixed charge coverage ratios (with financial definitions to be agreed upon). Indicative covenant levels are included on Annex II attached hereto.

Events of Default: Usual and customary for facilities and transactions of this type to be agreed upon by the

Borrower and the Agent (the agreement of the Borrower not to be unreasonably withheld), with grace periods and materiality thresholds to be agreed upon where appropriate, including, without limitation, nonpayment of principal or interest, violation of covenants, incorrectness of representations and warranties in any material respect, cross default and cross acceleration, bankruptcy, material judgments, ERISA, actual or asserted invalidity of

	guarantees or security documents and Change in Control (to be defined).
Voting:	Amendments and waivers of the definitive credit documentation will require the approval of Lenders holding more than 50% of the aggregate amount of the loans and commitments under the Facilities, except that the consent of each Lender adversely affected thereby shall be required with respect to, among other things, (a) increases in the commitment of such Lender, (b) reductions of principal, interest or fees, (c) extensions of final maturity or scheduled amortization and (d) releases of guarantors or all or any substantial part of the Collateral (other than in connection with any sale of Collateral permitted by the definitive credit documentation).
Cost and Yield Protection:	Usual for facilities and transactions of this type.
Assignments and Participations:	The Lenders will be permitted to assign loans and commitments to other Lenders (or their affiliates) without restriction, or to other financial institutions with the consent of the Borrower and the Agent, in each case not to be unreasonably withheld. Each assignment (except to other Lenders or their affiliates) will be in a minimum amount of $1,000,000. The Agent will receive a processing and recordation fee of $3,500, payable by the assignor and/or the assignee, with each assignment. Assignments will be by novation and will not be required to be pro rata among the Facilities. The Lenders will be permitted to participate loans and commitments without restriction to other financial institutions. Voting rights of

participants shall be limited to matters in respect of (a) increases in commitments, (b) reductions of principal, interest or fees, (c) extensions of final maturity or scheduled amortization and (d) releases of guarantors or all or any substantial part of the Collateral (other than in connection with any sale or collateral permitted by the definitive credit documentation). Participants shall not be entitled to any increased costs in excess of that to which the selling Lender would be entitled.

Expenses and Indemnification:	The Borrower will indemnify the Arranger, the Agent and the other Lenders and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of one counsel in each relevant jurisdiction) and liabilities of the Arranger, the Agent and the other Lenders arising out of or relating to any claim or any litigation or other proceeding (regardless of whether the Arranger, the Agent or any other Lender is a party thereto but excluding any such claim, litigation or proceeding brought by a Lender against any other Lender (other than an agent or arranger in its capacity as such))

that relates to the Transactions, including the financing contemplated hereby, the Recapitalization or any transactions connected therewith, provided that none of the Arranger, the Agent or any other Lender will be indemnified for any cost, expense or liability to the extent determined in the final judgment of a court of competent jurisdiction to have resulted from its gross negligence or willful misconduct. In addition, all reasonable out-of-pocket expenses of the Lenders for enforcement costs (including reasonable fees, disbursements and other charges of counsel) and documentary taxes associated with the Facilities are to be paid by the Borrower.

Governing Law and Forum: New York.

Counsel to Agent and Arranger: Cravath, Swaine & Moore.

ANNEX I
to Exhibit A

Interest Rates: The interest rates under the Facilities will be as follows:

Revolving Facility and Tranche A Facility

At the Borrower's option, Adjusted LIBOR plus 3.25% or ABR plus 2.25%.

Tranche B Facility

At the Borrower's option, Adjusted LIBOR plus 3.75% or ABR plus 2.75%.

All Facilities

The Borrower may elect interest periods of 1, 2, 3 or 6 months (or, if agreed to by all the Lenders participating therein, 9 or 12 months) for Adjusted LIBOR borrowings.

Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans based on the Prime Rate) and interest shall be payable at the end of each interest period and, in any event, at least every 3 months.

ABR is the Alternate Base Rate, which is the higher of CSFB's Prime Rate and the Federal Funds Effective Rate plus 1/2 of 1%.

Adjusted LIBOR will at all times include statutory reserves.

Letter of Credit Fee: A per annum fee equal to the spread over Adjusted LIBOR under the Revolving Facility will accrue on the aggregate face amount of outstanding letters of credit under the Revolving Facility, payable in arrears at the end of each quarter and upon the termination of the Revolving Facility, in each case for the actual number of days elapsed over a 360-day year. Such fees shall be distributed to the Lenders participating in the Revolving Facility pro rata in accordance with the amount of each such Lender's Revolving Facility commitment. In addition, the Borrower shall pay to

the Issuing Bank, for its own account, (a) a fronting fee equal to a percentage per annum to be agreed upon of the aggregate face amount of outstanding letters of credit, payable in arrears at the end of each quarter and upon the termination of the Revolving Facility, calculated based upon

the actual number of days elapsed over a 360-day year, and (b) customary issuance and administration fees.

Commitment Fees: 0.50% per annum on the undrawn portion of the commitments in respect of the Facilities, commencing to accrue upon the execution and delivery of the Credit Agreement and payable quarterly in arrears thereafter and upon the termination of the commitments, calculated based on the number of days elapsed in a 360-day year.

Changes in Interest Rates: After delivery of the Borrower's consolidated financial statements for the period ended December 31, 2001, and so long as no default shall have occurred and be continuing, the interest rates under the Revolving Facility and the Tranche A Facility will be determined by reference to the Borrower's ratio of (a) Total Debt as of the date of determination to (b) EBITDA for the period of four consecutive fiscal quarters ended as of the date of determination, as set forth below:

Ratio of Total Debt to EBITDA	Adjusted LIBOR plus	ABR plus
Greater than 2.50 to 1.00	3.25%	2.25%
Less than or equal to 2.50 to 1.00	3.00%	2.00%
Less than or equal to 2.00 to 1.00	2.75%	1.75%
Less than or equal to 1.50 to 1.00	2.50%	1.50%

The ratio of Total Debt to EBITDA shall be determined as at the last day of each fiscal quarter; changes in interest rates resulting from changes in such ratio shall become effective on the first day on which the financial statements covering the quarter-end date as of which such ratio is computed are delivered to the Agent.

Definitions:

(A) "Total Debt" includes the drawn amount under the Facilities and any other debt held at the Borrower.

(B) "Interest" includes interest payments on Total Debt (as defined above).

(C) "Dividends" include any cash dividend declared or paid by the Borrower or any advances by the Borrower to Holdings.

(D) "Fixed Charge Coverage Ratio" is defined as EBITDA (less capital expenditures less co-investments) divided by the sum of the Interest and Dividends paid by the Borrower.

ANNEX II
to Exhibit A

	Total Debt/EBITDA	EBITDA/Interest and Dividends	Fixed Charge Coverage Ratio
6/30/01	3.5x	2.5x	1.75x
9/30/01	3.5x	2.5x	1.75x
12/31/01	3.25x	2.5x	1.75x
3/31/02	3.00x	2.75x	2.00x
6/30/02	3.00x	2.75x	2.00x
9/30/02	3.00x	3.00x	2.00x

12/31/02	2.75x	3.00x	2.00x
3/31/03	2.75x	3.00x	2.25x
6/30/03	2.75x	3.00x	2.25x
9/30/03	2.50x	3.00x	2.25x
12/31/03	2.50x	3.00x	2.25x
3/31/04	2.25x	3.25x	2.50x
6/30/04	2.25x	3.25x	2.50x
9/30/04	2.25x	3.25x	2.50x
12/31/04 and thereafter	2.25x	3.25x	2.50x

EXHIBIT B

Project Radio
$500,000,000 Senior Secured Credit Facilities
Summary of Additional Conditions Precedent

The initial borrowing under the Facilities shall be subject to the following additional conditions precedent:

1. The Recapitalization shall be consummated simultaneously with the closing under the Facilities in accordance with applicable law and on substantially the terms described in the Term Sheet; the Merger Agreement and all other related documentation shall be reasonably satisfactory to the Lenders; the Cash Equity Contribution shall have been made; and the Lenders shall be reasonably satisfied with the capitalization, structure and equity ownership of the Borrower after giving effect to the Transactions.

2. The Borrower shall have received not less than $75,000,000 in gross cash proceeds from the issuance of the Notes by Holdings in a private placement to one or more holders satisfactory to the Agent. The terms and conditions of the Notes (including but not limited to terms and conditions relating to the interest rate, fees, amortization, maturity, covenants, pay-in-kind provisions, events of default and remedies) shall be reasonably satisfactory in all respects to the Lenders. Without limiting the foregoing, the Notes shall provide that, at any time during which the Borrower's ability to pay cash dividends to Holdings is restricted under the terms of the Borrower's senior credit facilities, Holdings may, in lieu of paying interest on the Notes in cash and without causing a default thereunder, satisfy its obligation to pay interest on the Notes by issuing to the holders thereof additional Notes.

3. The Borrower shall have repurchased all Existing Subordinated Notes tendered and not withdrawn pursuant to the Debt Tender Offer; if less than all the outstanding Existing Subordinated Notes shall have been tendered and so purchased, the Consent Solicitation shall have become effective, and the remaining outstanding aggregate principal amount of Existing Subordinated Notes (after any change in control offer required by the terms of the Indenture for the Existing Subordinated Notes has been consumated) shall be deducted from the aggregate amount of the Facilities (allocated among the Term Facilities in a manner to be agreed upon by the Agent and the Borrower). All principal, interest, fees and other amounts outstanding or due under the Existing Credit Agreement shall have been paid in full, the commitments thereunder terminated and all guarantees thereof and security therefor released, and the Agent shall have received reasonably satisfactory evidence thereof. After giving effect to the Transactions and the other transactions contemplated hereby, Holdings and its subsidiaries shall have outstanding no indebtedness or preferred stock other than (a) the

loans and other extensions of credit under the Facilities, (b) the Notes, (c) the Existing Subordinated Notes that may remain outstanding, (d) the Existing Seller Notes and (e) other limited indebtedness, including certain indebtedness to employees of the Borrower, to be agreed upon.

4. The Lenders shall have received (a) audited consolidated balance sheets for the 1999 and 2000 fiscal years and related statements of income, stockholders' equity and cash flows of the Borrower for the 1998, 1999 and 2000 fiscal years and (b) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower for each subsequent fiscal quarter ended 45 days before the Closing Date, which financial statements shall not be materially inconsistent with the financial statements or forecasts previously provided to the Lenders.

5. The Lenders shall have received a pro forma consolidated balance sheet of the Borrower as of the most recent balance sheet delivered pursuant to paragraph 4 above, after giving effect to the Transactions and the other

transactions contemplated hereby, which balance sheet shall not be materially inconsistent with the forecasts previously provided to the Lenders.

6. The Lenders shall be reasonably satisfied as to the amount and nature of any environmental and employee health and safety exposures to which the Borrower and its subsidiaries may be subject after giving effect to the Transactions, and with the plans of the Borrower or such subsidiaries with respect thereto.

7. The Lenders shall be satisfied as to the solvency of the Borrower and its subsidiaries on a consolidated basis after giving effect to the Transactions and the other transactions contemplated hereby.

8. All requisite governmental authorities and third parties shall have approved or consented to the Transactions and the other transactions contemplated hereby to the extent the failure to obtain the same could, individually or in the aggregate, reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions or the other transactions contemplated hereby, and there shall be no litigation, governmental, administrative or judicial action, actual or threatened, that could reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions or the other transactions contemplated hereby.

EXHIBIT C

Sources and Uses of Funds
(as of December 31, 2000)
(in millions of dollars)
(all figures are approximate)

Sources of Funds		Uses of Funds	
Cash on Hand	$ 20.9	Merger Consideration	$348.7
Revolving Facility/1/	0.0	Refinance Existing Debt	292.7
Tranche A Facility/2/	150.0	Transaction Costs	40.3
Tranche B Facility/3/	250.0	Existing Seller Notes	21.2
16% Senior Notes	75.0	Cash at Closing	49.3
Existing Seller Notes	21.2		
Cash Equity Contribution/3/	98.8		
Management and Employee Equity Contribution/3/	24.7		
Rollover Equity/3/	111.6		
Total Sources	$752.2	Total Uses	$752.2

/1/ The Revolving Facility has a total capacity of $100,000,000. The Revolving Facility can be used to fund any increases in working capital relative to December 31, 2000.

/2/ The amount of the gross cash proceeds from the Term Facilities may be reduced, in a ratio to be agreed upon, by up to the amount of Existing Subordinated Notes not tendered in the Debt Tender Offer.

/3/ The Investors will contribute additional cash, if necessary, to ensure that the total equity is not less than $235,000,000.

Exhibit 10.11(B)

CREDIT SUISSE FIRST BOSTON
Eleven Madison Avenue
New York, NY 10010

May 31, 2001

BLUM CB Corp.
In care of RCBA Strategic Partners, L.P.
909 Montgomery Street
San Francisco, CA 94133

Attention of Claus Moller

Project Radio
Senior Secured Credit Facilities

Ladies and Gentlemen:

Reference is made to (a) the commitment letter dated February 23, 2001 (the "Commitment Letter"), between Credit Suisse First Boston ("CSFB") and you, and (b) the Confidential Offering Circular dated May 31, 2001 (the "Offering Circular"), relating to your proposed issuance of $225,000,000 aggregate principal amount of Senior Subordinated Notes Due 2011 (the "Senior Subordinated Notes"). Terms used but not defined in this letter agreement shall have the meanings assigned thereto in the Commitment Letter (including the attachments thereto).

As described in the Offering Circular, it is proposed that the debt financing for the Transaction be modified from that set forth in the Commitment Letter. In particular, the amount of CSFB's commitment under the Commitment Letter will be reduced to $325,000,000 and the Borrower intends to issue the Senior Subordinated Notes. Accordingly, you and we hereby agree that the Commitment Letter shall be deemed modified to reflect the following:

1. The aggregate principal amount of the Tranche A Facility shall be $50,000,000.

2. The aggregate principal amount of the Tranche B Facility shall be $175,000,000.

3. The aggregate principal amount of the Revolving Facility shall remain at $100,000,000.

4. The Borrower shall issue the Senior Subordinated Notes on the terms described in the Offering Circular.

5. The aggregate principal amount of the Notes to be issued by Holdings shall be $65,000,000, with the entire net cash proceeds thereof being contributed to the Borrower as part of the Cash Equity Contribution.

6. It shall be an additional condition precedent to CSFB's commitment that the Facilities continue to be rated BB- or higher by Standard & Poor's and Ba3 or higher by Moody's Investors Service, Inc.

Except as expressly set forth herein, this letter agreement shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the parties to the Commitment Letter, and shall not alter, modify or amend in any way or affect any of the terms, conditions, obligations, covenants or agreements contained in the Commitment Letter. Without limiting the generality of the foregoing, this letter agreement shall not be construed as a waiver of any of the conditions precedent to CSFB's obligations set forth or referred to in the Commitment Letter, nor shall it be construed as implying that any of such conditions precedent have been satisfied at the date hereof.

This letter agreement may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the parties hereto. This letter agreement is intended to be solely for the benefit of the parties hereto, is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and is not intended to create a fiduciary relationship between the parties hereto. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York. This letter agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this letter agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance of the terms hereof by returning to us an executed counterpart hereof not later than 5:00 p.m., New York time, on May 31, 2001, whereupon this letter agreement shall become a binding agreement between us.

Very truly yours,

CREDIT SUISSE FIRST BOSTON,

by /s/ Richard Carey

Name: Richard Carey
Title: Managing Director

by /s/ Mark E. Gleason

Name: Mark E. Gleason
Title: Director

Accepted and agreed to as of
the date first above written:

BLUM CB CORP.,

by /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

Exhibit 10.12(A)

February 23, 2001

Blum CB Holding Corp.
c/o RCBA Strategic Partners, L.P.
909 Montgomery Street
San Francisco, CA 94133

Attention: Mr. Claus Moller

Dear Sir:

We understand that RCBA Strategic Partners, L.P. (the "Sponsor"), and certain other investors (together, the "Investor Group") through a newly formed affiliated entity ("Blum CB Holding Corp." or "Holdings") and a newly formed subsidiary of Holdings ("Merger Sub") intend to acquire all of the equity securities of CB Richard Ellis Services, Inc. (the "Company") pursuant to an agreement and plan of merger (the "Merger Agreement") by and among Holdings, Merger Sub and the Company. Pursuant to the Merger Agreement, Merger Sub will merge (the "Merger") with and into the Company, with the Company being the surviving corporation in the Merger. We further understand that the existing stockholders of the Company will receive aggregate merger consideration of approximately $348.7 million (consisting of cash and/or "rollover" equity). In addition, (i) the Company will repay all amounts outstanding under, and will terminate, its existing credit agreement dated as of May 20, 1998 (the "Existing Credit Agreement"), with Bank of America, N.A. and a syndicate of lenders, (ii) the Company will make a tender offer to repurchase (the "Debt Tender Offer") 100% of its outstanding 8-7/8% senior subordinated notes due 2006 (the "Existing Subordinated Notes" and, together with the Existing Credit Agreement, the "Existing Debt") and will seek the consent of the holders thereof to amend the indenture relating thereto to remove the significant covenants and restrictions contained therein (the "Consent Solicitation"), and (iii) certain long-term debt of the Company's subsidiaries in an aggregate amount of approximately $21.2 million related to various financings will remain outstanding. The transactions contemplated by the Merger Agreement, the Debt Tender Offer and the Consent Solicitation are referred to herein as the "Transaction."

The financing described herein will be provided for the purpose of paying a portion of the consideration payable in the Transaction. You have advised us that the aggregate purchase price, including the purchase of the equity securities of the Company held by the stockholders other than the Investor Group, the rollover by the Investor Group of existing equity, the refinancing or assumption of the Existing Debt of the Company, the pre-funding of approximately $49.3 million of cash of the Company (to be partially funded using $20.9 million of cash on hand), and fees and expenses will be approximately $752.2 million (the "Transaction Price") and that the

Transaction (including such refinancing) will be financed in part with $400.0 million of borrowings under a $500.0 million credit facility (the "Credit Facilities"). We further understand that in connection with the Merger (a) the Investor Group will contribute an aggregate amount of total equity (in the form of cash or rollover equity) of not less than $235 million (such amount not to include the proceeds of the senior note financing described herein), with not less than $98.8 million of such amount being in the form of new common equity contributed in cash by the Investor Group and certain employees and members of management of the Company to Holdings as common equity, (b) Holdings will contribute the amount of cash common equity so received to Merger Sub as common equity in exchange for the issuance to Holdings of all the common stock of Merger Sub and (c) Holdings will issue the senior notes described herein and will contribute the proceeds thereof to Merger Sub as cash common equity. The Investor Group will own 100% of the outstanding common stock (the "Common Equity Securities") of Holdings (on a fully diluted basis, before giving effect to investment opportunities made available to the Company's management and the common stock discussed below). It is also understood that Holdings will own 100% of the stock of Merger Sub.

Subject to the terms and conditions set forth herein, DLJ Investment Funding, Inc. on behalf of itself and its investment affiliates (collectively, the "Buyer"), hereby commits to purchase, on the closing date of the Transaction (the "Closing Date"), up to $75.0 million of senior notes of Holdings (the "Notes") with common stock representing 3.0% of the shares of Holding's Common Equity Securities (the "Buyer Common Stock" and, together with the Notes, the "Securities") on a fully diluted basis after giving effect to management options. The terms of the Securities are described in Exhibit A hereto. The purchase by the Buyer of the Securities is hereinafter referred to as the "Buyer Investment". It is understood that the proceeds from the Buyer Investment will be used solely to fund a portion of the Transaction. Any shortfall in capital required to consummate the Transaction shall be financed with an additional equity contribution by the Investor Group, and an amount equal to the principal amount of Existing Subordinated Notes that remain outstanding following the Debt

Tender Offer and any change of control offer with respect to the Existing Subordinated Notes, if necessary, will reduce the term portion of the Credit Facilities.

This commitment letter ("Commitment Letter"), and the Buyer's obligations hereunder, are subject to the prior satisfaction (unless waived in writing by the Buyer) of each of the following conditions: (i) the negotiation, execution and delivery of definitive agreements and other documents acceptable to the Buyer and its counsel with respect to the Buyer Investment, including, without limitation, (a) a securities purchase agreement for the purchase by the Buyer of the Securities (the "Buyer Purchase Agreement(s)"), (b) an agreement providing for contractual anti-dilution protection for the Buyer Common Stock, (c) an indenture specifying the terms of the Notes and (d) such other agreements and documents

as are necessary or customary in connection with transactions similar to the Buyer Investment; (ii) the consummation (simultaneously with the consummation of the Buyer Investment) by the Investor Group or their affiliates of the purchase of the Common Equity Securities held by stockholders other than the Investor Group for an aggregate purchase price of not less than $235.0 million, of which not less than $98.8 million will be in the form of new common equity contributed in cash by the Investor Group at the closing of the Transaction and certain employees and members of management of the Company to Holdings as common equity (collectively, the "Other Investments"); (iii) the consummation by the Company, pursuant to definitive agreements and other documents reasonably acceptable to the Buyer and its counsel, of the funding of the Credit Facilities which, when aggregated with the proceeds of the Buyer Investment, the Other Investments and cash on hand, shall be sufficient to pay the Transaction Price and shall include sufficient unused lines of credit to support the operations of the Company (it being understood that the Credit Facilities as described in the commitment letter with respect thereto, dated the date hereof, shall be deemed to satisfy such obligation regarding sufficient unused lines of credit after giving effect to the Transaction); (iv) there not having occurred any event, change or condition that has had or could reasonably be expected to have a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, since December 31, 1999; (v) the Merger shall be consummated simultaneously with the closing of the sale of the Securities to the Buyer in accordance with applicable law and on substantially the terms described herein; (vi) the Merger Agreement and all other related documentation shall be reasonably satisfactory to the Buyer; (vii) the Other Investments shall have been made; (viii) the Buyer shall be reasonably satisfied with the capitalization, structure and equity ownership of Holdings after giving effect to the Transaction; and (ix) Buyer's not having discovered or otherwise become aware of any information not previously disclosed to Buyer or not in the public domain that we believe to be inconsistent in a material and adverse manner with our understanding, based on the information, taken as a whole, provided to us prior to the date hereof, of the business, assets, liabilities, operations or condition (financial and otherwise) of the Company and its subsidiaries, taken as a whole.

This Commitment Letter may not be assigned by any party hereto without the prior written consent of DLJ Investment Funding, Inc. and/or one or more of its investment affiliates, and any attempted assignment shall be null and void and of no force or effect, except that the Buyer may assign its commitment hereunder to any affiliate of the Buyer. This Commitment Letter may not be amended, and no provision hereof waived or modified, except by an instrument in writing signed by the Buyer and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this

Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Commitment Letter. In consideration of delivery of this Commitment Letter, Holdings agrees to the indemnification and other obligations set forth in Schedule I attached hereto, which Schedule is an integral part hereof. This Commitment Letter is intended to be solely for the benefit of the parties hereto and is not intended to confer, and shall not be deemed to confer, any benefits upon, or create any rights in or in favor of, any person other than the parties hereto and the Indemnified Persons (as defined in Schedule I). This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York.

As additional consideration for the delivery of this Commitment Letter, Holdings agrees that should it consummate the Transaction or any similar transaction in which the Sponsor or one of its affiliates directly or indirectly acquires all or substantially all of the capital stock or assets of the Company (any such transaction, an "Alternate Transaction") within one year from the date hereof and Buyer has not been given an opportunity to purchase the Securities on terms no less favorable to Buyer than those outlined in the Commitment Letter in connection with the Transaction or the Alternate Transaction, as the case may be, Holdings will issue or cause its affiliate to issue to Buyer on the Closing

Date or closing date of the Alternate Transaction common stock (the "Commitment Fee") representing 1.0% of the Holdings Common Equity Securities (or the appropriate holding company of the Alternate Transaction) on terms no less favorable to Buyer than those described in Exhibit A.

This Commitment Letter shall be treated as confidential and is being provided to Holdings and the Sponsor solely in connection with the Transaction and may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of the Buyer. Notwithstanding the foregoing, this Commitment Letter and the attached term sheet (but not Schedule I) (i) may be shown to the Board of Directors of the Company and their financial advisors; provided that such parties agree to treat this Commitment Letter as confidential and (ii) may be filed in any public filing relating to the Merger.

The obligations of the Buyer under this Commitment Letter shall automatically terminate and be superseded by the provisions of the definitive documentation relating to the Buyer Investment contemplated herein upon the execution and delivery thereof. The force, effect and provisions of this Commitment Letter shall automatically terminate on the earliest of: (i) 5:00 p.m., New York City time, on February 28, 2001 if this Commitment Letter has not been entered into by such date; (ii) the termination of any Agreements entered into in accordance with clause (v) of the second paragraph

of this Commitment Letter; or (iii) the failure to consummate the Transaction by July 20, 2001, unless Buyer shall agree to an extension.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below:

Very truly yours,

DLJ INVESTMENT FUNDING, INC.

By: _____
Paul Thompson III
Managing Director

Accepted and Agreed to as
of the date first above written:

BLUM CB HOLDING CORP.

By: _____
Name:
Title:

SCHEDULE I

This Schedule I is a part of and is incorporated into the Commitment Letter dated February 23, 2001 by and between the DLJ Investment Funding, Inc. ("DLJIF") and Blum CB Holding Corp. ("Holdings").

Holdings will indemnify and hold harmless DLJIF and its affiliates, and the respective directors, officers, agents and employees of DLJIF and its affiliates (DLJIF and each such entity or person, an "Indemnified Person"), from and against any actual losses, claims, damages, judgments, liabilities and expenses (collectively "Liabilities"), and will reimburse each Indemnified Person upon demand for all reasonable fees and expenses (including the reasonable fees and expenses of counsel) (collectively, "Expenses") as they are incurred in investigating or defending any claim, action, proceeding or investigation, whether or not in connection with pending or threatened litigation and whether or not any Indemnified Person is a party (collectively, "Action(s)"), arising out of or in connection with the Commitment Letter to which this Schedule I is attached (the "Commitment Letter") or the transactions contemplated thereby or any Indemnified Person's actions or inactions in connection with the Commitment Letter or any such transactions; provided that Holdings will not be responsible for any Liabilities or Expenses of any Indemnified Person that are determined by a judgment of a court of competent jurisdiction which is no longer subject to appeal or further review to have resulted primarily from such Indemnified Person's willful breach of the Commitment Letter or gross negligence or willful misconduct in connection with any of the actions or inactions referred to above.

Upon receipt by an Indemnified Person of actual notice of an Action against such Indemnified Person with respect to which indemnity may be sought under this Commitment Letter, such Indemnified Person shall promptly notify Holdings in writing; provided that failure to notify Holdings shall not relieve Holdings

from any liability which Holdings may have on account of this indemnity or otherwise, except to the extent Holdings shall have been materially prejudiced by such failure. Holdings will be entitled to participate in the proceedings relating to any Action and, if it so elects, upon prior written notice to such Indemnified Person, to (at Holdings' expense) assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Person; provided that any Indemnified Person shall have the right to employ separate counsel in any such action and assume the defense thereof if: (i) Holdings has failed promptly to assume the defense and employ counsel or (ii) the named parties to any such Action (including any impleaded parties) include such Indemnified Person and Holdings, and such Indemnified Person shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to Holdings; provided that Holdings shall not in such event be responsible hereunder for the fees and expenses of more than one firm of

separate counsel in connection with any Action in the same jurisdiction, in addition to one local counsel in each relevant jurisdiction. Holdings shall not be liable for any settlement or compromise of any Action effected without its written consent (which consent shall not be unreasonably withheld). In addition, Holdings will not, without prior written consent of DLJIF (which consent shall not be unreasonably withheld), settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened Action in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from all Liabilities arising out of such Action.

Holdings also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to Holdings for or in connection with the Commitment Letter or the transactions contemplated thereby or any Indemnified Person's actions or inactions in connection with any such Commitment Letter or transactions except for Liabilities (and related Expenses) of Holdings that are determined by a judgment of a court of competent jurisdiction which is no longer subject to appeal or further review to have resulted solely from such Indemnified Person's willful breach of the Commitment Letter or gross negligence or willful misconduct in connection with any of the actions or inactions referred to above.

The reimbursement, indemnity and contribution obligations of Holdings set forth herein shall apply to any modification of the Commitment Letter to which this Schedule I is attached and shall remain in full force and effect regardless of any termination of DLJIF's obligations under the Commitment Letter.

EXHIBIT A
SENIOR NOTES WITH COMMON STOCK

Senior Notes With Common Stock

Issuer:	Holdings.
Purchaser:	DLJ Investment Funding Inc. ("DLJIF") and its designated affiliates.
Securities Offered:	16.0% Senior Notes (the "Notes").
Amount:	$75.0 million aggregate principal amount.
Maturity Date:	10 years.
Interest Rate:	Interest will accrue on the Notes at a rate of 16.0% per annum and be payable quarterly in cash in arrears; provided that (i) until the fifth anniversary of the issuance of the Notes, interest in excess of 12% per annum may, at the option of Holdings, be paid in kind and (ii) to the extent the Company's ability to pay cash dividends to Holdings is at such time restricted by the terms of the Company's senior credit facilities, interest may, at the option of Holdings, be paid in kind, i.e. by adding such excess to the principal amount of Notes.
Ranking:	The Notes will be senior to all current and future indebtedness of Holdings.
Optional Redemption:	The Notes will be redeemable, in whole or in part, at any time or from time to time upon not less than 30 nor more than 60 days' notice, at the option of Holdings at the following redemption prices (expressed as a percentage of the principal amount thereof) if redeemed

during the twelve-month period commencing April 1 of the year set forth below, plus, in each case, accrued and unpaid interest thereon:

Year	Percentage
2001	116.0%
2002	112.8%
2003	109.6%
2004	106.4%
2005	103.2%
2006 and thereafter	100.0%

Sinking Fund: No mandatory Sinking Fund payment for the Notes.

Change of Control Put: In the event of a Change of Control (as defined), Holdings is obligated to make an offer to purchase all outstanding Notes at a redemption price of 101% on any repurchase date, plus accrued interest.

Conditions Precedent: Usual and customary including satisfaction of conditions set forth in the Commitment Letter.

Covenants: Will include covenants in form and substance customary for high yield issues, with exceptions and baskets to be agreed upon (subject to carve-outs to be agreed upon related to investments by L.J. Melody and for indebtedness incurred by L.J. Melody, as well as investments by Holdings and its subsidiaries in real estate funds (including U.S. and foreign joint ventures) and the incurrence of non-recourse debt) including, without limitation:

Limitation on Restricted Payments
Limitation on Indebtedness and Issuance of Subsidiary Preferred Stock
Limitation on Consolidation or Merger
Limitation on Transactions with Affiliates
Limitation on Liens
Limitation on Dividend and Other Payment Restrictions Affecting Subsidiaries
Limitation on Issuance of Shares of Subsidiaries
Limitation on Disposition of Assets

Registration Rights: The holders of the Notes will have one demand registration right three months following the first day on which Holdings shall have any outstanding public debt or equity securities (other than any debt or equity outstanding at the closing of the Transaction) but prior to the time when all of the Notes are freely transferable pursuant to the exemption from registration provided by Rule 144 under the Securities Act of 1933, as amended, on terms, conditions and exceptions to be finalized.

Modification of Indenture: Modifications and changes of the Indenture for the Notes may be made with the consent of a majority in principal amount of the holders of the Notes then outstanding except that without consent of each holder of Notes affected, no modification or change may change the maturity of the Notes or the optional redemption provisions, the provisions relating to any required offer to purchase (including the related definitions), reduce the principal amount of the Notes or the rate of interest, affect the time for payment or the place or currency of payment of the principal or interest on the Notes or in any other way reduce the percentage of holders necessary to modify the Indenture.

Reports to Holders: Holdings will provide holders of the Notes with such monthly, quarterly and annual consolidated financial reports as Holdings is required to provide to the Senior Lenders, if any. At such time as Holdings is no longer required to provide financial reports to the Senior Lenders and is not subject to the annual and quarterly reporting requirements of the Securities Exchange Act of 1934, as amended, Holdings will provide holders of the Notes with such annual and quarterly

consolidated financial reports as it would be required to file with the Securities and Exchange Commission if it were then subject to such requirements.

Commitment Fee: Common Stock representing 1.0% of the fully diluted ownership of Holdings after giving full effect to all management equity and options and equity and warrants granted to other financing sources (with the exception of the Takedown Fee). The Commitment Fee shall be earned upon execution of the Commitment Letter and issued upon the earlier of the closing of the Transaction and the closing of any similar transaction by the Sponsor or any of its affiliates.

Takedown Fee: Common Stock representing 2.0% of the fully diluted ownership of Holdings after giving full effect to all management equity and options and equity and warrants granted to other financing sources (with the exception of the Commitment Fee). The Common Stock representing the Takedown Fee shall be issued at closing of the Transaction.

Transaction Fee: 3.5% of the gross proceeds of the Notes purchased by DLJIF, payable to DLJIF, in cash, upon such purchase (such transaction fee to be shared by DLJIF and Credit Suisse First Boston as they may mutually agree).

Board Observer The holders of a majority in aggregate principal amount of the Notes shall be entitled to designate one non-voting representative to attend meetings of the board of directors of Holdings.

Other Fees and Expenses: Out-of-pocket reasonable fees and expenses of DLJIF in connection with the purchase of the Notes (including reasonable fees and expenses of counsel) will be paid by Holdings upon the earlier of the closing of the Transaction and the closing of any similar transaction by the Sponsor or any of its affiliates.

Common Stock
- ---

Issuer: Holdings.

Number of Shares: Common Stock representing 3.0% (including the Commitment Fee and the Takedown Fee) of the fully diluted ownership of Holdings after giving full effect to all management equity and options and equity and warrants granted to other financing sources.

Anti-Dilution: The Buyer Common Stock will be entitled to anti-dilution provisions customary for comparable size issues of warrants, including, but not limited to, adjustments for sales of equity below fair market value.

Governance: A shareholders' agreement containing satisfactory terms and conditions including, without limitation, customary provisions relating to transfer restrictions, drag-along rights, tag-along rights and preemptive rights will be signed by the significant shareholders of Holdings (it being understood that a shareholders agreement on terms similar to the draft dated February 1, 2001, with such exceptions as may be mutually agreed, shall be deemed to contain satisfactory terms and conditions).

Board Observer: The holders of a majority of the Buyer Common Stock shall be entitled to designate one non-voting representative to attend meetings of the board of directors of Holdings.

Registration Rights: The Buyer Common Stock will have one demand registration right following the expiration of any applicable lock-up period relating to the initial underwritten public offering of common stock by

Holdings (other than the offering of common stock to employees of the Company pursuant to the registration statement on Form S-1 filed in connection with the Merger), and unlimited piggyback registration rights with respect to equity registrations by Holdings, all on terms and conditions and exceptions to be finalized.

EXHIBIT 10.12(B)

May 31, 2001

CBRE Holding, Inc.
c/o RCBA Strategic Partners, L.P.
909 Montgomery Street
San Francisco, CA 94133

Attention: Mr. Claus Moller

RE: AMENDMENT TO COMMITMENT LETTER DATED FEBRUARY 23, 2001

Dear Sir:

Reference is made to the commitment letter dated February 23, 2001 (the "Commitment Letter") pursuant to which DLJ Investment Partners II, L.P. agreed, subject to the conditions set forth therein, to purchase up to $75.0 million of senior notes of Holdings (as defined in the Commitment Letter in connection with the Sponsor's acquisition of CB Richard Ellis Services, Inc. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Commitment Letter.

The Commitment Letter is hereby amended and modified as follows:

1. The amount of the commitment in the Commitment Letter is hereby reduced from $75.0 million to $65.0 million and the Takedown Equity associated with the commitment is reduced from 2.0% to 1.867%.

2. The amount of the Credit Facilities referenced in the Commitment Letter shall be to $325.0 million and as a partial replacement proceeds of up to $225.6 million will be raised in the high yield debt market.

In addition to the foregoing, the undersigned hereby agrees that the terms of the Notes will be substantially the same as the terms of the senior subordinated notes due 2011 of BLUM CB Corp. ("Holdings") as set forth in the confidential offering circular dated May 31,

2001, except for coupon and the following:

1. The Notes will be senior obligations of CBRE Holdings, with such changes as are customary for a holding company issuance, the language of which will be agreed;

2. The Notes will contain a lien covenant pertaining to Holdings and an appropriate conduct of business covenant, the language of which will be agreed;

3. Certain of the negative covenants contained in the Notes will terminate when the company obtains an investment grade rating from both S&P and Moody's for the Notes of Holdings;

4. There will be no requirement to give notice to the banks prior to acceleration;

5. Grace periods for covenants will conform to the high yield indenture.

In addition to the foregoing, as a condition to closing, we will receive a list of the entities that will initially be "unrestricted subsidiaries" prior to closing, such list to be reasonably satisfactory to us.

Except as expressly amended or modified by this amendment, the terms of the Commitment Letter shall remain in full force and effect.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below and returning a copy of this amendment to the undersigned.

Very truly yours,

DLJ INVESTMENT FUNDING, INC.

By: /s/ Paul Thompson, III

Paul Thompson III
Managing Director

Accepted and Agreed to as

of the date first above written:

CBRE HOLDING, INC.

By: /s/ Claus J. Moller

Name: Claus J. Moller
Title: President

EXHIBIT 10.12 (c)

June 29, 2001

CBRE Holding, Inc.
c/o RCBA Strategic Partners, L.P.
909 Montgomery Street
San Francisco, CA 94133

Attention: Mr. Claus Moller

RE: AMENDMENT TO COMMITMENT LETTER

Dear Sir:

Reference is made to the commitment letter dated February 23, 2001, including the term sheet attached thereto, as amended by an amendment dated May 31, 2001 (the "Commitment Letter"), pursuant to which DLJ Investment Funding, Inc. ("DLJIF") agreed, subject to the conditions set forth therein, to purchase up to $65.0 million of senior notes of CBRE Holding, Inc. ("Holdings") in connection with the Sponsor's acquisition of CB Richard Ellis Services, Inc. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Commitment Letter.

The Commitment Letter is hereby further amended and modified as follows:

1. The Transaction Fee payable to DLJIF under the Commitment Letter upon consummation of the Transaction shall be reduced from 3.5% to 2.1154% and shall be payable by Holdings to Credit Suisse First Boston Corporation ("CSFB") in the form of an initial purchaser's discount to the aggregate price of the units sold in the offering pursuant to the Confidential Offering Circular of Holdings dated the date hereof, such discount to be payable in accordance with a definitive purchase agreement relating to the Notes and the Common Equity Securities. In addition, Holdings will pay $900,000 in cash to DLJIF as a lead investor adjustment on the closing date of the Transaction.

2. In connection with the issue and sale of the Notes, Holdings shall not be responsible for the payment of fees or expenses of (a) Arthur Anderson LLP, to the extent attributable to the preparation and delivery of a comfort letter to CSFB or (b) Cravath Swaine & Moore, counsel to CSFB, such expenses to be borne by CSFB.

3. It shall be an additional condition to the commitment of DLJIF under the Commitment Letter that DLJIF shall have received a duly executed copy of a Management Rights Letter in the form attached hereto.

4. The terms of the Notes and the Common Equity Securities shall be substantially as set forth in the descriptions thereof contained in the Confidential Offering Circular relating to the Notes and the Common Equity Securities dated the date hereof.

Except as expressly amended or modified by this amendment, the terms of the Commitment Letter shall remain in full force and effect.

Please indicate your acceptance of the terms hereof by signing in the appropriate space below and returning a copy of this amendment to the undersigned.

Very truly yours,

DLJ INVESTMENT FUNDING, INC.

By: /s/ Paul Thompson III

Paul Thompson III
Managing Director

Accepted and Agreed to as
of the date first above written:

CBRE HOLDING, INC.

By: /s/ Claus Moller

Name: Claus Moller
Title: President

EXHIBIT 21.1

SUBSIDIARIES OF CBRE HOLDING, INC.

<TABLE>
<CAPTION>

Name	State (or Country) of Incorporation
<S>	<C>
BLUM CB Corp.	Delaware

</TABLE>

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports (and to all references to our Firm) included in or made a part of this registration statement.

/s/ Arthur Andersen LLP
Arthur Andersen LLP

Los Angeles, California

July 5, 2001