OMB APPROVAL	
OMB Number:	3236-0145
Expires:	October 31, 2002
Estimated average burden	
hours per response....	14.9

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. ____)*

CBRE Holding, Inc.

(Name of Issuer)

Class A Common Stock, $0.01 par value

(Title of Class of Securities)

None

(CUSIP Number)

William M. Wardlaw
11100 Santa Monica Blvd., Suite 1900
Los Angeles, California 90025
Telephone: (310) 444-1822

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

July 20, 2001

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of (S)(S)240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [_].

Note: Schedules filed in paper format shall include a signed original and five copies of this schedule, including all exhibits. See (S)240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

CUSIP NO. None

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY). F.S. Equity Partners III, L.P., a Delaware limited partnership

	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	
2		(a) [X] (b) [_]
	SEC USE ONLY	
3		
	SOURCE OF FUNDS*	
4	OO (See Item 3)	
	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [_]	
5		
	CITIZENSHIP OR PLACE OF ORGANIZATION	
6	Delaware	
	SOLE VOTING POWER	
7	-0-	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER	
8	3,402,463 (See Item 5)	
	SOLE DISPOSITIVE POWER	
9	-0-	
	SHARED DISPOSITIVE POWER	
10	3,402,463 (See Item 5)	
	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
11	3,402,463 (See Item 5)	
	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
12	[_]	
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
13	68.2% (See Item 5)	
	TYPE OF REPORTING PERSON*	
14	PN	

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

CUSIP NO. None

	NAMES OF REPORTING PERSONS	
1	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).	
	FS Capital Partners L.P., a California limited partnership	
	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	
2		(a) [X] (b) [_]
	SEC USE ONLY	
3		
	SOURCE OF FUNDS*	
4	CC (See Item 3)	

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [_]

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

California

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 3,402,463 (See Item 5)
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 3,402,463 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

3,402,463 (See Item 5)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

12

[_]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

68.2% (See Item 5)

TYPE OF REPORTING PERSON*

14

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

CUSIP NO. None

NAMES OF REPORTING PERSONS
1 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

FS Holdings, Inc., a California corporation

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2 (a) [X] (b) [_]

SEC USE ONLY

3

SOURCE OF FUNDS*

4

OO (See Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [_]

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

California

NUMBER OF SHARES	7	SOLE VOTING POWER -0-

		SHARED VOTING POWER
BENEFICIALLY	8	3,402,463 (See Item 5)
OWNED BY		
EACH		SOLE DISPOSITIVE POWER
REPORTING	9	-0-
PERSON		SHARED DISPOSITIVE POWER
WITH	10	3,402,463 (See Item 5)

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,402,463 (See Item 5)
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* [_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 68.2% (See Item 5)
14	TYPE OF REPORTING PERSON* CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

CUSIP NO. None

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY). FS Equity Partners International, L.P., a Delaware limited partnership
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X] (b) [_]
3	SEC USE ONLY
4	SOURCE OF FUNDS* OO (See Item 3)
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [_]
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

		SOLE VOTING POWER
NUMBER OF	7	-0-
SHARES		SHARED VOTING POWER
BENEFICIALLY	8	3,402,463 (See Item 5)
OWNED BY		
EACH		SOLE DISPOSITIVE POWER
REPORTING	9	-0-
PERSON		SHARED DISPOSITIVE POWER
WITH	10	3,402,463 (See Item 5)

	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
11	3,402,463 (See Item 5)
	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
12	[_]
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
13	68.2% (See Item 5)
	TYPE OF REPORTING PERSON*
14	PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

CUSIP NO. None

	NAMES OF REPORTING PERSONS
1	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).
	FS & Co. International, L.P., a Cayman Islands exempted limited partnership
	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
2	(a) [X] (b) [_]
	SEC USE ONLY
3	
	SOURCE OF FUNDS*
4	CO (See Item 3)
	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [_]
5	
	CITIZENSHIP OR PLACE OF ORGANIZATION
6	Cayman Islands
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER -0-
	8 SHARED VOTING POWER 3,402,463 (See Item 5)
	9 SOLE DISPOSITIVE POWER -0-
	10 SHARED DISPOSITIVE POWER 3,402,463 (See Item 5)
	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
11	3,402,463 (See Item 5)
	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
12	[_]
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13
68.2% (See Item 5)

TYPE OF REPORTING PERSON*
14
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

CUSIP NO. None

NAMES OF REPORTING PERSONS
1 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

FS International Holdings Limited, a Cayman Islands exempted company

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
2 (a) [X]
(b) [_]

SEC USE ONLY
3

SOURCE OF FUNDS*
4
CO (See Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e) [_]
5

CITIZENSHIP OR PLACE OF ORGANIZATION
6
Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 3,402,463 (See Item 5)
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 3,402,463 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
11
3,402,463 (See Item 5)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
12
[_]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
13
68.2% (See Item 5)

TYPE OF REPORTING PERSON*
14
CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Item 1. Security and Issuer

This statement on Schedule 13D (this "Schedule 13D") relates to shares of Class A Common Stock, par value $.01 per share (the "Class A Common") CBRE Holding, Inc., a Delaware corporation (the "Issuer"). In addition, references are made in this Schedule 13D to the Class B Common Stock of the Issuer (the "Class B Common"), which is currently convertible into shares of Class A Common on a one-for-one basis, but is not registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Class A Common and the Class B Common may be collectively referred to in this Schedule 13D as the "Issuer Common Stock." The Issuer has its principal executive offices at 909 Montgomery Street, Suite 400, San Francisco, CA 94133.

Item 2. Identity and Background

This Schedule 13D is being filed pursuant to a Joint Reporting Agreement dated July 27, 2001, a copy of which is attached as Exhibit 1 hereto, among and on behalf of FS Equity Partners III, L.P., a Delaware limited partnership ("FSEP III"), FS Capital Partners, L.P., a California limited partnership ("Capital Partners"), FS Holdings, Inc., a California corporation ("FS Holdings"), FS Equity Partners International, L.P., a Delaware limited partnership ("FSEP International"), FS & Co. International, L.P., a Cayman Islands exempted limited partnership ("FS & Co. International"), and FS International Holdings Limited, a Cayman Islands exempted company limited by shares ("International Holdings" and, together with FSEP III, Capital Partners, FS Holdings, FSEP International and FS & Co. International, the "Reporting Persons").

FS Holdings is the general partner of Capital Partners, which is the general partner of FSEP III. International Holdings is the general partner of FS&Co. International which is the general partner of FSEP International.

FSEP III, Capital Partners and FS Holdings each has its principal business address and its principal office at 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, California 90025. FSEP III was formed to make private equity investments. Capital Partners and FS Holdings were each formed to organize and manage the transactions in which FSEP III is the principal investor.

FSEP International, FS&Co. International and International Holdings each has its principal business address and its principal office at c/o Paget-Brown & Company Ltd., West Winds Building, Third Floor, P.O. Box 1111, Grand Cayman, Cayman Islands, B.W.I. FSEP International was formed to make private equity investments. FS& Co. International and International Holdings were each formed to organize and manage the transactions in which FSEP International is the principal investor.

During the last five years, none of FSEP III, Capital Partners, FS Holdings, FSEP International, FS &Co. International or International Holdings has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgement, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal laws or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

Pursuant to an Amended and Restated Contribution and Voting Agreement dated as of May 31, 2001 (the "Contribution Agreement"), among the Issuer, FSEP III, FSEP International and certain other stockholders of the Issuer, a copy of which is attached as Exhibit 2 hereto, the Reporting Persons agreed to transfer and deliver to Issuer 3,402,463 shares of common stock of CB Richard Ellis Services, Inc. ("CBRE"), $.01 par value per share, in exchange for which Issuer agreed to issue to the Reporting Persons 3,402,463 shares of Class B Common. The Contribution Agreement was amended pursuant to an amendment dated as of July 19, 2001 attached as Exhibit 5 hereto. Pursuant to a Warrant Agreement dated as of July 20, 2001 (the "Warrant Agreement"), among the Issuer, FSEP III and FSEP International, a copy of which is attached as Exhibit 4 hereto, warrants to purchase up to an aggregate of 364,884 shares of the Common Stock of CBRE (the "CBRE Warrant Shares") were cancelled and the Issuer agreed to issue a warrant to purchase that number of shares of Class B Common that represents the same percentage of total outstanding shares of Issuer Common Stock as the percentage of total outstanding shares of CBRE common stock represented by the CBRE Warrant Shares.

Item 4. Purpose of Transaction

The Reporting Persons acquired the Class B Common pursuant to the Contribution Agreement for investment purposes only.

In connection with the acquisition by the Reporting Persons of the Class B Common, and pursuant to the terms of a Securityholder's Agreement dated as of July 20, 2001 (the "Securityholder's Agreement"), among the Issuer, FSEP III, FSEP

International and certain other stockholders of the Issuer, a copy of which is attached as Exhibit 3 hereto, the Issuer has granted certain management, investment monitoring and other rights to the Reporting Persons. In addition, the Reporting Persons have agreed that at all times prior to and following the initial public offering of the Issuer (the "IPO"), it will vote all of the shares of voting capital stock owned or held of record by it, or cause all of the shares of voting capital stock of the Issuer beneficially owned by it to be voted to elect directors designated pursuant to the terms of the Securityholder's Agreement, including at least one designee of the Reporting Persons. The Reporting Persons will retain this director designation right so long as the Reporting Persons and their affiliates, collectively, beneficially own common stock representing not less than 7.5% of the outstanding Issuer Common Stock. Each committee of the Board will include at least one director designated by the Reporting Persons. If the Reporting Persons notify other holders of the Issuer's common stock (the "Securityholders") in writing of their desire to remove, with or without cause, any director of the Issuer previously designated by the Reporting Persons, each Securityholder will vote (to the extent eligible to vote) all of the shares of voting capital stock of the Issuer beneficially owned or held of record by it, him or her so as to remove such director. If any director previously designated by the Reporting Persons ceases to serve on the Board (whether by reason of death, resignation, removal or otherwise), the Reporting Persons will be entitled to designate a successor director to fill the vacancy created thereby, and each Securityholder will vote all shares of voting capital stock beneficially owned or held of record by it or him or her in favor of such designation. In addition, prior to an IPO, the Reporting Persons are collectively entitled to have two observers at all regular meetings of the Board as long as the Reporting Persons, collectively, beneficially own common stock representing at least 7.5% of the outstanding Issuer Common Stock.

Pursuant to the Securityholder's Agreement, the Reporting Persons agree, prior to the IPO, to vote all of the shares of voting capital stock of the Issuer owned by them, in the same manner as the group of shareholders comprised of RCBA Strategic Partners, L.P. and its affiliates ("Blum") votes the shares of capital stock it beneficially owns in all matters to be voted on by the Issuer's stockholders, subject to certain exceptions as set forth in the Securityholder's Agreement. The Reporting Persons granted Blum an irrevocable proxy, coupled with an interest, to vote, during the period preceding the IPO, all of the shares of voting capital stock of the Issuer owned by the Reporting Persons in accordance with the terms of the Securityholder's Agreement.

Neither the Issuer nor any of its subsidiaries is permitted to engage in certain transactions without the prior affirmative vote or written consent of (i) a majority of the directors of the company and (ii) a majority of the directors not designated by Blum. These transactions include any transaction between Blum or any of its affiliates and the Issuer or any of its subsidiaries, any amendment to the Certificate of Incorporation or Bylaws of the Issuer that adversely affects any Securityholder relative to Blum, or any repurchase, redemption, declaration, dividend payment or distribution upon any shares of capital stock of the Issuer beneficially owned by Blum or any of its affiliates. All of these requirements are subject to certain exceptions, as more fully described in the Securityholder's Agreement. These consent rights terminate upon the completion of the IPO.

The Issuer is prohibited from engaging in certain other transactions without the prior affirmative vote of (i) a majority of the directors of the Issuer and (ii) the director designated by the Reporting Persons. These include 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; the sale or disposition, in any single or series of related transactions, of assets of the Issuer or its subsidiaries for aggregate consideration in excess of $75 million; the incurrence of indebtedness; the issuance of capital stock of the Issuer to employees, directors, or consultants of the Issuer or any of its subsidiaries if such issuances, in the aggregate, are greater than 75% of the total amount of outstanding capital stock of the Issuer immediately after the closing of the merger transaction in which, among other things, Blum CB Corp. merged with and into CBRE (the "Merger"). These limitations are subject to certain exceptions, as more fully described in the Securityholder's Agreement.

Except to the extent the foregoing may be deemed a plan or proposal, none of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

The information set forth in this Item 4 is qualified in its entirety by reference to the Contribution Agreement (attached hereto as Exhibit 2) and the Securityholder's Agreement (attached hereto as Exhibit 3), each of which is expressly incorporated herein by reference.

Item 5. Interest in Securities of the Issuer

(a) Amount Beneficially Owned by each Reporting Person and Percent of Class:

Each Reporting Person is deemed to be the beneficial owner (within the meaning of Rule 13d-3(a) of the Securities Exchange Act of 1934, as amended) of 3,402,463 shares of Class A Common issuable upon conversion of 3,402,463 shares of Class B Common into shares of Class A Common.

The aggregate number of shares of Issuer Common Stock beneficially owned by the Reporting Persons constitutes approximately 68.2% of the shares of such class outstanding as of July 20, 2001. Such percentages are based upon a total of 1,589,774 shares of Class A Common issued and outstanding as of July 20, 2000, as provided by the Issuer to the Reporting Persons in connection with the closing of the transactions contemplated by the Voting and Contribution Agreement, and was calculated in accordance with Rule 13d-3(d)(1)(i).

(b) Voting and Dispositive Power:

The Reporting Persons may be deemed to have (i) sole voting and dispositive power with respect to no shares of Common Stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 3,402,463 shares of Common Stock.

FS Holdings, by virtue of being the sole general partner of Capital Partners, and Capital Partners, by virtue of being the sole general partner of FSEP III may be deemed to have (i) sole voting and dispositive power with respect to no shares of common stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 3,278,448 shares of Class B Common.

International Holdings, by virtue of being the sole general partner of FS&Co. International and FS International, by virtue of being the sole general partner of FSEP International may be deemed to have (i) sole voting and dispositive power with respect to no shares of common stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 124,015 shares of Class B Common.

(c) Other Transactions:

The Reporting Persons have not effected any transactions other than as described in this Schedule 13D.

(d) Interests of Other Persons:

Not Applicable.

(e) Date Upon Which the Reporting Person Ceased to be the Beneficial Owner of More Than Five Percent of Class:

Not Applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Pursuant to the Contribution Agreement, the Reporting Persons transferred and delivered to the Issuer 3,402,463 shares of common stock of CB Richard Ellis Services, Inc., $.01 value per share, in exchange for which Issuer agreed to issue to the Reporting Persons 3,402,463 shares of Class B Common. The Issuer also entered into a Warrant Agreement with FSEP III and FSEP International. A copy of each of the Contribution Agreement and the Warrant Agreement is attached as Exhibit 2 and Exhibit 4 hereto, respectively, which describes more fully the terms thereof.

Pursuant to the Securityholder's Agreement, a copy of which is attached as Exhibit 3 hereto, the Reporting Persons are subject to certain limitations regarding the transfer and voting of the Reporting Persons' shares. Among other

restrictions, the Reporting Persons may not directly or indirectly transfer any shares of common stock or warrants unless the Reporting Persons comply with the provisions of the Securityholder's Agreement.

If after three years following the completion of the Merger the Reporting Persons desire to transfer all or any portion of its common stock or warrants to a party not designated a "Permitted Transferee" under the Securityholder's Agreement, the Reporting Persons must provide Blum with written notice of the proposed transfer. The notice constitutes an irrevocable offer by the Reporting Persons to sell the common stock or warrants being offered to Blum at the same price and on the same terms and conditions as the proposed transfer.

If Blum and/or its affiliates agree to transfer a majority of the shares of common stock beneficially owned by them to a third-party (other than in a public offering), the Reporting Persons agree that, if requested by Blum or its affiliates, the Reporting Persons will transfer to the third-party on the same terms and conditions the same portion of such

common stock as is to be transferred by Blum. If Blum approves any merger, consolidation or other business combination involving the Issuer or its subsidiaries, then the Reporting Persons agree (i) to vote all shares of common stock held by them to approve the contemplated transaction and (ii) exercising any appraisal or dissenter's rights available to them in connection with such transactions. In addition to such drag-along rights in favor of Blum, the Securityholder's Agreement grants the Reporting Persons tag-along rights on transfers of common stock by Blum. Before an IPO, with respect to any proposed transfer by Blum and/or its affiliates of its shares of common stock to a third party, whether pursuant to a stock sale, merger, consolidation, tender or exchange offer or other transaction, the Reporting Persons have the right, to require the proposed acquirer to purchase from the Reporting Persons a pre-defined portion of the Reporting Persons' common stock, as described more fully in the Securityholder's Agreement. Blum is required to give notice to the Reporting Persons of the aforementioned sale at least fifteen (15) business days prior to the proposed consummation of such sale.

Pursuant to the Securityholder's Agreement, the Issuer has also granted certain participation, piggyback and demand registration rights to the Reporting Persons. The Issuer will not issue additional equity securities after the date of the Merger to any party without first notifying the Reporting Persons and granting the Reporting Persons the right to subscribe for a pro rata share of these equity securities prior to their issuance. Under the terms of the Securityholder's Agreement, the Reporting Persons may include shares of Issuer Common Stock in any proposed registration of securities of the Issuer for resale under the Securities Act of 1933, as amended (the "Securities Act"), either for the account of the Issuer or for the account of other Securityholders exercising registration rights. In addition, the Reporting Persons may exercise up to 3 demand registration rights to require the Issuer to register the Reporting Persons' Issuer Common Stock under the Securities Act. These registration rights are subject to certain limitations and conditions as set forth in the Securityholder's Agreement.

The Reporting Persons are also subject to voting requirements described more fully in Item 4 hereto.

The information set forth in this Item 6 is qualified in its entirety by reference to the Contribution Agreement (attached hereto as Exhibit 2), the Securityholder's Agreement (attached hereto as Exhibit 3), and the Warrant Agreement (attached hereto as Exhibit 4), each of which is expressly incorporated herein by reference.

Item 7. Material to Be Filed as Exhibits

Exhibit 1 Joint Reporting Agreement dated July 27, 2001, among the Reporting Persons.

Exhibit 2 Amended and Restated Contribution and Voting Agreement dated as of May 31, 2001, by and among the Issuer, FSEP III, FSEP International and certain other stockholders of the Issuer.

Exhibit 3 Securityholder's Agreement dated as of July 20, 2001, by and among the Issuer, FSEP III, FSEP International and certain other stockholders of the Issuer.

Exhibit 4 Warrant Agreement dated as of July 20, 2001, by and among the Issuer and the Reporting Persons.

Exhibit 5 Amendment to Contribution and Voting Agreement, dated as of July 19, 2001, by and among the Issuer, FSEP III, FSEP International and certain other stockholders of the Issuer.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 27, 2001

FS EQUITY PARTNERS III, L.P.,
a Delaware limited partnership

By: FS Capital Partners, L.P.
Its: General Partner

By: FS Holdings, Inc.
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS CAPITAL PARTNERS, L.P.,
a California limited partnership

By: FS Holdings, Inc.
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS HOLDINGS, INC.,
a California corporation

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS EQUITY PARTNERS INTERNATIONAL, L.P.,
a Delaware limited partnership

By: FS&Co. International, L.P.,
Its: General Partner

By: FS International Holdings Limited
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS&CO. INTERNATIONAL, L.P.,
a Cayman Islands exempted limited partnership

By: FS International Holdings Limited
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS INTERNATIONAL HOLDINGS LIMITED,
a Cayman Islands exempted company limited by shares

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

EXHIBIT 1

JOINT REPORTING AGREEMENT

In consideration of the mutual covenants herein contained, pursuant to Rule 13d-1(k)(1), each of the parties hereto represents to and agrees with the other parties as follows:

1. Such party is eligible to file a statement or statements on Schedule 13D pertaining to the Class A Common Stock, $.01 par value per share, of CBRE Holding, Inc., a Delaware corporation, to which this Joint Reporting Agreement is an exhibit, for filing of the information contained herein.

2. Such party is responsible for the timely filing of such statement and any amendments thereto, and for the completeness and accuracy of the information concerning such party contained therein, PROVIDED that no such party is responsible for the completeness or accuracy of the information concerning any other party making the filing, unless such party knows or has reason to believe that such information is inaccurate.

3. Such party agrees that such statement is being filed by and on behalf of each of the parties identified herein, and that any amendment thereto will be filed on behalf of each such party.

This Joint Reporting Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument, but all of such counterparts together shall constitute but one agreement.

Dated: July 27, 2000

FS EQUITY PARTNERS III, L.P.,
a Delaware limited partnership

By: FS Capital Partners, L.P.
Its: General Partner

By: FS Holdings, Inc.
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS CAPITAL PARTNERS, L.P.,
a California limited partnership

By: FS Holdings, Inc.
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS HOLDINGS, INC.,
a California corporation

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS EQUITY PARTNERS INTERNATIONAL, L.P.,
a Delaware limited partnership

By: FS&Co. International, L.P.,
Its: General Partner

By: FS International Holdings Limited
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS&CO. INTERNATIONAL, L.P.,
a Cayman Islands exempted limited partnership

By: FS International Holdings Limited
Its: General Partner

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

FS INTERNATIONAL HOLDINGS LIMITED,
a Cayman Islands exempted company limited by shares

By: /s/ J. Frederick Simmons

J. Frederick Simmons
Title: Vice President

Exhibit 2

EXECUTION COPY

AMENDED AND RESTATED CONTRIBUTION AND VOTING AGREEMENT

AMENDED AND RESTATED CONTRIBUTION AND VOTING AGREEMENT, dated as of May 31, 2001 (this "Agreement"), among CBRE Holding, Inc., a Delaware corporation ("Holding"), BLUM CB Corp., a Delaware corporation and wholly owned subsidiary of Holding ("Newco"), RCBA Strategic Partners, L.P., a Delaware limited partnership (together with its respective permitted assigns as provided herein, "BLUM"), 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, "Freeman Spogli"), Raymond E. Wirta ("Wirta"), W. Brett White ("White"), those other investors who are signatories to this agreement (collectively with Wirta and White, the "Other Investors") and Donald M. Koll ("Koll"). BLUM, Freeman Spogli and the Other Investors are herein collectively referred to as the "Investors." Unless expressly provided otherwise in this Agreement, capitalized terms defined in the Merger Agreement when used in this Agreement shall have the same meanings set forth in the Merger Agreement (defined below).

WHEREAS, Newco has entered into an Agreement and Plan of Merger, dated as of February 23, 2001 (as amended, the "Merger Agreement"), with CB Richard Ellis Services, Inc., a Delaware corporation ("CBRE"), pursuant to which and subject to the terms and conditions thereof, Newco shall merge with and into CBRE (the "Merger"), such that CBRE shall thereafter be a wholly owned subsidiary of Holding;

WHEREAS, in connection with the consummation of the Merger and the receipt by the Investors of common stock of Holding, each of the Investors shall become parties to a stockholders' agreement in the form attached hereto as Exhibit A (the "Securityholders' Agreement");

WHEREAS, in connection with the financing of the Merger and the related transactions, Newco is offering for issuance and sale $229 million aggregate principal amount of its senior subordinated notes (the "Newco Senior Subordinated Notes") and, upon the closing of such offering, the proceeds from such issuance and sale (the "Senior Subordinated Notes Proceeds") will be deposited in an escrow account, together with an additional amount of cash (the "Pre-Funded Interest") sufficient to pay the special mandatory redemption price for the Newco Senior Subordinated Notes as described in the Preliminary Confidential Offering Circular used in connection with the offering of the Newco Senior Subordinated Notes;

WHEREAS, in connection with the financing of the Merger and the related transactions, Holding is offering for issuance and sale at least 3,236,613 shares of Class A common stock, par value $.01 per share ("Holding Class A Common Stock"), of Holding (including shares underlying stock fund units in the CB Richard Ellis Services, Inc. Deferred Compensation Plan) to eligible employees and independent contractors of CBRE (the "Employee Offering");

WHEREAS, in connection with the execution of the Merger Agreement, Newco has received certain financing agreements and documents from Credit Suisse First Boston ("CSFB") and DLJ Investment Funding, Inc. ("DLJ") with respect to the provision of debt

financing to effect the Merger (the "Debt Financing Documents");

WHEREAS, the parties hereto desire to make certain agreements, representations, warranties and covenants in connection with the Merger, the Merger Agreement, the Securityholders' Agreement, the Debt Financing Documents and the transactions contemplated hereby and thereby (collectively, the "Transactions"); and

WHEREAS, the parties to this Agreement previously entered into a Contribution and Voting Agreement, dated as of February 23, 2001 (the "Original Agreement"), and this Agreement constitutes an amendment and restatement of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions as hereinafter set forth, the parties hereto do hereby agree as follows:

I CONTRIBUTIONS

1.1. BLUM Contribution. At the Contribution Closing (as defined below), on the terms and subject to the conditions of this Agreement, BLUM hereby agrees to (i) transfer and deliver to Holding 3,423,886 shares of common stock, par value $.01 per share (the "CBRE Common Stock"), of CBRE (the "BLUM Stock Contribution"), and (ii) make an aggregate cash contribution to Holding of approximately $40.9 million to approximately $92.6 million (as determined by Holding no less than twelve business days prior to the Contribution Closing, which amount shall be equal to approximately $92.6 million minus (A) the total number of shares of Class A common stock and stock fund units in the CB Richard Ellis Services, Inc. Deferred Compensation Plan subscribed for in the Employee Offering multiplied by $16.00, minus (B) the amount of the Pre-Funded Interest Contribution, minus (C) the amount of the Initial BLUM Contribution, plus (D) the aggregate amount of full-recourse notes delivered to Holding as consideration for shares of Class A common stock subscribed for in the Employee Offering) in immediately available funds to an account of Holding (the "BLUM Cash Contribution," and together with the BLUM Stock Contribution, the "BLUM Contribution"). In connection with such BLUM Contribution, Holding hereby agrees to issue to BLUM at the Contribution Closing (a) 3,423,886 shares of Class B common stock, par value $.01 per share ("Holding Class B Common Stock"), of Holding in exchange for the BLUM Stock Contribution and (b) a number of shares of Holding Class B Common Stock in exchange for the BLUM Cash Contribution equal to the quotient obtained by dividing (x) the amount of the BLUM Cash Contribution by (y) $16.00 (the shares of Holding Class B Common Stock being issued to BLUM in accordance with clauses (a) and (b) are collectively referred to as the "BLUM Shares").

1.2. Freeman Spogli Contributions. At the Contribution Closing, on the terms and subject to the conditions of this Agreement, Freeman Spogli hereby agrees to transfer and deliver to Holding 3,402,463 shares of CBRE Common Stock (the "Freeman Spogli Contribution"). In connection with such Freeman Spogli Contribution, Holding hereby agrees to issue to Freeman Spogli at the Contribution Closing 3,402,463 shares (the "Freeman Spogli Shares") of Holding Class B Common Stock.

1.3. Other Investors Contribution. At the Contribution Closing, on the terms and subject to the conditions of this Agreement, each of the Other Investors hereby agrees to transfer and deliver to

Holding the total number of shares of CBRE Common Stock set forth opposite his or her name on Schedule I hereto (each, an "Other Investor Contribution"). In connection with each such Other Investor Contribution, Holding hereby agrees to issue to such Other Investor at the Contribution Closing the total number of shares (the "Other Investor Shares") of Holding Class B Common Stock set forth opposite his or her name on Schedule I hereto.

1.4. Delivery of Funds and Certificates. Subject to the satisfaction (or waiver by the parties entitled to the benefit thereof) of the conditions set forth in Section 1.5 of this Agreement, the closing of the transactions

contemplation hereby (the "Contribution Closing") will take place at the offices of Simpson Thacher & Bartlett, 3330 Hillview Avenue, Palo Alto, California 94304, or at such other location as the parties may mutually agree, immediately prior to the closing under the Merger Agreement. At the Contribution Closing, Holding will deliver to the Investors duly executed certificates, registered in the Investors' respective names, representing the BLUM Shares, the Freeman Spogli Shares and each of the Other Investor Shares, as the case may be, against the transfer and payment (including, to the extent applicable, the delivery of certificates evidencing the applicable number of shares of CBRE Common Stock duly endorsed to Holding), to Holding of the BLUM Contribution, the Freeman Spogli Contribution and each of the Other Investor Contributions, respectively, which shall represent payment in full for the BLUM Shares, the Freeman Spogli Shares and each of the Other Investor Shares.

1.5. Conditions to the Obligations of the Parties Hereunder. The respective obligations of the Investors to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, each of which is for the benefit of and any of which may be waived by the Investors:

(a) Subject to Section 4.9, Holding shall have determined that all the conditions to the consummation of the Merger (as set forth in the Merger Agreement) have been satisfied or waived by the necessary party to the Merger Agreement; and

(b) the representations and warranties of Holding and Newco contained herein shall be correct and complete in all material respects as of the Contribution Closing to the same extent as though made on and as of such date.

1.6. Termination. This Agreement may be terminated and the Transactions may be abandoned at any time prior to the Contribution Closing by any of the parties hereto if the Merger Agreement shall have been terminated in accordance with its terms. In the event of any termination of the Agreement as provided in this Section 1.6, this Agreement shall forthwith become wholly void and of no further force or effect (except Section 4.4 and Article V) and there shall be no liability on the part of any parties hereto or their respective officers or directors, except as provided in such Section 4.4 and Article V. Notwithstanding the foregoing, no party hereto shall be relieved from liability for any willful breach of this Agreement.

II REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Holding and Newco. Each of Holding and Newco represents and warrants to the Investors as follows:

(a) Each of Holding and Newco is a corporation duly incorporated, validly existing and in good

standing under the laws of the state of Delaware and has all requisite corporate power and authority to execute and deliver this Agreement and the agreements contemplated hereby and to perform its obligations hereunder and thereunder. The execution and delivery by each of Holding and Newco of this Agreement and the agreements contemplated hereby, the performance by each of Holding and Newco of its obligations hereunder and thereunder, and the consummation by each of Holding and Newco of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by each of Holding and Newco and, assuming the due authorizations, executions and deliveries thereof by the Investors, constitutes a legal, valid and binding obligation of each of Holding and Newco, enforceable against each of Holding and Newco 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 in law).

(b) As of the date hereof, the authorized capital stock of Holding consists of 2000 shares of common stock, par value $.01 per share ("Holding Common Stock"), 10 of which are issued and outstanding and held by BLUM as of the date hereof (each such share having been purchased by BLUM for a cash price of $16.00 per share (such initial contribution, in the aggregate, the "Initial BLUM Contribution")). As of the date hereof, the authorized capital stock of Newco consists of 2000 shares of common stock, par value $.01 per share ("Acquiror Common Stock"), 10 of which are issued and outstanding and held by

Holding as of the date hereof (each such share having been purchased by Holding for a cash price of $16.00 per share).

(c) The BLUM Shares, the Freeman Spogli Shares and the Other Investors Shares, when issued and delivered in accordance with the terms hereof and upon receipt of payment required to be made hereunder, will be duly authorized, validly issued, fully paid and nonassessable and free and clear of any mortgage, pledge, security interest, claim, encumbrance, lien or charge of any kind (each, a "Lien").

(d) The execution, delivery and performance by each of Holding and Newco of this Agreement and the agreements contemplated hereby and the consummation by each of Holder and Newco of the transactions contemplated hereby and thereby do not and will not, with or without the giving of notice or the passage of time or both, (i) violate the provisions of any law, rule or regulation applicable to either Holding or Newco or its properties or assets; (ii) violate the provisions of the certificate of incorporation or bylaws of either Holding or Newco, as amended to date; or (iii) violate any judgment, decree, order or award of any court, governmental or quasi-governmental agency or arbitrator applicable to either Holding or Newco or their properties or assets.

(e) Except to the extent required pursuant to (i) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, (ii) any Non-U.S. Competition Laws and (iii) any similar applicable Laws, no consent, approval, exemption or authorization is required to be obtained from, no notice is required to be given to and no filing is required to be made with any third party (including, without limitation, governmental and quasi-governmental agencies, authorities and instrumentalities of competent jurisdiction) by Holding or Newco, in order (i) for this Agreement to constitute a legal, valid and binding obligation of Holding and Newco or (ii) to authorize or permit the consummation by Holding of the issuance

of the BLUM Shares, the Freeman Spogli Shares and the Other Investor Share.

(f) Each of Holding and Newco was organized solely for the purpose of effecting the Transactions and has engaged in no activity other than in connection therewith.

2.2. Representations and Warranties of the Investors. Each of the
---- --
Investors represents and warrants, severally and not jointly, to Holding and Newco and to the other Investors that:

(a) The execution and delivery by such Investor of this Agreement and the documents contemplated hereby, the performances by such Investor of its, his or her obligations hereunder and thereunder and the consummations by such Investor of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of such Investor, and this Agreement has been duly executed and delivered by such Investor and, assuming the due authorization, execution and delivery thereof by Holding and Newco, constitutes a legal, valid and binding obligation of such Investor, enforceable against such Investor 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 in law).

(b) The execution, delivery and performance by such Investor of this Agreement and the agreements contemplated hereby and the consummation by such Investor of the transactions contemplated hereby and thereby does not and will not, with or without the giving of notice or the passage of time or both, (i) violate the provisions of any law, rule or regulation applicable to such Investor or its, his or her respective properties or assets; (ii) violate the provisions of the constituent organizational documents or other governing instruments applicable to such Investor, as amended to date; or (iii) violate any judgment, decree, order or award of any court, governmental or quasi-governmental agency or arbitrator applicable to such Investor or its, his or her respective properties or assets.

(c) Such Investor (i) is an "accredited investor" within the definition of Regulation D promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), (ii)
---------- ----------
is experienced in evaluating and investing in private placement transactions of securities of companies in a similar stage of development and acknowledges that he, she or it is able to fend for himself, herself or itself, can bear the economic risk of the Investor's investment in Holding, and has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the investment in the Holding Class B Common Stock and can afford a complete loss of its, his or her investment, (iii) if other than an individual, has not been organized for the purpose of acquiring the Holding Class B Common Stock, (iv) understands that no public market now exists for the Holding Class B Common Stock and there is no assurance that a

pubic market will ever exist for the Holding Class B Common Stock and (v) understands that the Holding Class B Common Stock may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Holding Class B Common Stock or an available exemption from registration under the Securities Act, the Holding Class B Common Stock must be held indefinitely.

(d) Such Investor's, together with its Affiliates' (as defined in the Merger Agreement), total beneficial ownership of shares of outstanding CBRE Common Stock as of the date hereof is accurately set forth opposite such Investor's name on Schedule I hereto, and each of such shares when transferred and delivered to Holding will be free and clear of all Liens.

(e) Such Investor has no plan or intention to transfer its shares of Holding Class B Common Stock following the Contribution Closing.

III VOTING AND EXCLUSIVITY

3.1. Voting. Each of the Investors agrees to vote or consent (or cause to be voted or consented), in person or by proxy, any shares of CBRE Common Stock beneficially owned or held of record by such Investor or to which such party has, directly or indirectly, the right to vote or direct the voting (the "Subject Shares") in favor of the Transactions and any other matter required to effect the Transactions at any meeting (whether annual or special and whether or not an adjourned or postponed meeting) of stockholders of CBRE called to consider such matters. In order to effectuate this section 3.1, each of the Investors hereby grants to Holding an irrevocable proxy, which proxy is coupled with an interest, to vote all of the Subject Shares owned by such Investor in favor of the Transactions and any other matter required to effect the Transactions at any meeting of stockholders of CBRE called to consider such matters.

3.2. Exclusivity. Prior to the earlier of the Contribution Closing or the termination of this Agreement, unless otherwise mutually agreed in writing by BLUM and Freeman Spogli, each of the Investors (in their individual capacities as stockholders of CBRE and not in their capacities as officers or directors of CBRE, if applicable) will (i) not, directly or indirectly, make, participate in or agree to, or initiate, solicit, encourage or knowingly facilitate any inquiries or the making of, any proposal or offer with respect to, or a transaction to effect, a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving CBRE or any of its subsidiaries, or any purchase or sale of 20% or more of the consolidated assets (including without limitation stock of its subsidiaries) of CBRE and its subsidiaries, taken as a whole, or any purchase or sale of, or tender or exchange offer for, the equity securities of CBRE that, if consummated, would result in any person or entity beneficially owning securities representing 20% or more of the total voting power of CBRE (or of the surviving parent entity in such transaction) or any of its subsidiaries, in each case other than the Transactions (any such proposal, offer or transaction (other than the Transactions) being hereinafter referred to as a "Competing Acquisition Proposal"), (ii) vote or consent (or cause to be voted or consented), in person or by proxy, any Subject Shares against any Competing Acquisition Proposal at any meeting (whether annual or special and whether or not an adjourned or postponed meeting) of stockholders of CBRE, (iii) not, directly or indirectly, sell, transfer or otherwise dispose of any shares of CBRE Common Stock beneficially owned by such party (including, without limitation, in the case of Freeman Spogli, the warrant to acquire 364,884 shares of CBRE Common Stock held by Freeman Spogli) and (iv) not enter into any agreement, commitment or arrangement that is inconsistent with any of the foregoing.

IV OTHER COVENANTS

4.1. Merger Agreement. The parties hereto acknowledge and agree that Holding will have sole

discretion with respect to (a) determining whether the conditions set forth in the Merger Agreement have been satisfied by the appropriate parties thereto and/or whether to waive any of such conditions pursuant to the terms of the Merger Agreement, and (b) the manner and timing of its and CBRE's compliance with the covenants applicable to it and CBRE under the Merger Agreement. Subject to the immediately preceding sentence, Holding may not amend, or agree to amend, the Merger Agreement without the prior written consent of both BLUM and Freeman Spogli, and each of BLUM and Freeman Spogli hereby consents to all amendments to the Merger Agreement that have occurred on or prior to the date hereof. BLUM agrees to amend, or cause the amendment of, the certificates of incorporation of each of Holding and Acquiror, at or prior to the Contribution Closing, to (i)

create three classes of Holding capital stock consisting of Holding Class B Common Stock and Holding Class A Common Stock, (ii) authorize a total number of shares of Holding Class B Common Stock and Holding Class A Common Stock and Acquiror Common Stock, respectively, that are sufficient to permit the consummation of the transactions contemplated hereby and by the Merger Agreement and (iii) elect for Holding not to be governed by Section 203 of the General Corporation Law of the State of Delaware. In connection with such amendment of the certificate of incorporation of Holding, each share of outstanding Holding Common Stock on the date thereof shall be exchanged for one share of Holding Class B Common Stock.

4.2. Issuance of Shares for Pre-Funded Interest; Financing Documents.

(a) The parties hereto acknowledge and agree that, in the event that the offering of the Newco Senior Subordinated Notes shall be consummated, in connection with such consummation Holding will issue and sell to BLUM or its affiliate, in consideration for a cash contribution to Holding equal to the Pre-Funded Interest (the "Pre-Funded Interest Contribution"), a number of shares of Holding Class B Common Stock equal to (i) the amount of the Pre-Funded Interest divided by (ii) $16.00 (the "Pre-Funded Interest Shares"). Holding shall contribute the Pre-Funded Interest Contribution to Newco in exchange for the issuance and sale to Holding of a number of shares of Acquiror Common Stock equal to (x) the Pre-Funded Interest Contribution divided by (y) $16.00.

(b) The parties hereto acknowledge and agree that Holding will have sole discretion with respect to the negotiation of definitive debt financing documents with CSFB and DLJ (or any other lending person) and any supporting lenders (i) based upon the Debt Financing Documents and (ii) in connection with the offering of the Newco Senior Subordinated Notes.

4.3. Agreement to Cooperate; Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto shall use all reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Transactions, including providing information and using reasonable best efforts to obtain all necessary or appropriate waivers, consents and approvals, and effecting all necessary registrations and filings.

4.4. Fees and Expenses.

(a) Subject to Section 4.4(b), in the event that this Agreement is terminated prior to the Contribution Closing, the costs incurred by any party hereto in preparing this Agreement and in pursuing and

negotiating the Transactions (including all attorneys' fees and costs relating thereto) (the "Transaction Expenses") will be paid by the party incurring such Transaction Expenses.

(b) In the event that the Merger Agreement is terminated and BLUM shall receive any payment from CBRE pursuant to Section 10.2 of the Merger Agreement (the "Termination Fee"), promptly after receipt of such Termination Fee, BLUM shall allocate and pay the Termination Fee, in part or in whole, as applicable, as follows: (i) first, to BLUM and the Other Investors in an amount equal to their Transaction Expenses (to the extent such Transaction Expenses shall exceed the Termination Fee, then each such party shall receive a pro rata amount of such Termination Fee based upon such party's Transaction Expenses incurred), (ii) second, if available, any amounts required to be paid to CSFB and DLJ in the Debt Financing Documents and (iii) lastly, subject to Section 4.4(c) hereto, the remaining amount of the Termination Fee to BLUM or its Affiliate (as defined in Section 5.3 hereto).

(c) If (i) the Merger Agreement is terminated because of the Company's consummation of an Acquisition Proposal (as defined in the Merger Agreement), (ii) Holding is entitled to receive any payment from CBRE pursuant to Section 10.2 of the Merger Agreement, and (iii) (x) Wirta is not offered continued employment on comparable terms with CBRE (or the parent or surviving company in such Acquisition Proposal) following the consummation of such other Acquisition Proposal for a period of at least 12 months (unless such shorter period is requested by Wirta), then Wirta will be entitled to receive 5.7% of the portion of the Termination Fee, if any, paid to BLUM or its Affiliate pursuant to Section 4.4(b)(iii), or (y) White is not offered continued employment on comparable terms with CBRE (or the parent or surviving company in such Acquisition Proposal) following the consummation of such other Acquisition Proposal for a period of at least 12 months (unless such shorter period is requested by White), then White will be entitled to receive 4.3% of the portion of the Termination Fee, if any, paid to BLUM or its Affiliate pursuant to Section 4.4(b)(iii).

(d) In the event that the closing under the Merger Agreement occurs, the Surviving Corporation in the Merger shall, simultaneously with such closing, pay (i) to RCBA GP, L.L.C. (or an affiliate designated by it) a transaction fee of $3 million in immediately available funds and (ii) to Freeman Spogli & Co. Incorporated (or an affiliate designated by it) a transaction fee of $2 million in immediately available funds. In addition, simultaneously with such closing, the Surviving Corporation shall reimburse each of the parties hereto for all Transaction Expenses incurred by such party.

4.5. Notification of Certain Matters. Each party to this Agreement shall give prompt notice to each other party of (i) the occurrence or non-occurrence of any event, the occurrence or non-occurrence of which is likely to cause any representation or warranty of such party contained in this Agreement to be untrue or inaccurate at or prior to the Contribution Closing and (ii) any failure of such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 4.5 shall not limit or otherwise affect any remedies available to the party receiving such notice. No disclosure by any party pursuant to this Section 4.5 shall prevent or cure any misrepresentations, breach of warranty or breach of covenant.

4.6. Public Statements. Before any party to this Agreement, other than BLUM, Holding or Newco, or

any Affiliate of such party shall release any statements concerning this Agreement, the Merger Agreement, the Securityholders' Agreement, the Debt Financing Documents, the Transactions or any of the matters contemplated hereby and thereby which is intended for or may result in public dissemination thereof, such party shall cooperate with the other parties and provide the other parties the reasonable opportunity to review and comment upon any such statements and, unless otherwise required by law or as may be required to be disclosed by any party in any Schedule 13D filing, shall not release or permit release of any such information without the consent of the other parties, which shall not be unreasonably withheld.

4.7. Execution of Securityholders' Agreement. At the time of the Contribution Closing, each of the Investors agrees to execute and deliver to the other parties thereto the Securityholders' Agreement.

4.8. Freeman Spogli Warrant. Holding agrees to issue to Freeman Spogli or its Affiliate immediately after the closing under the Merger Agreement a warrant in the form attached hereto as Exhibit B (the "Warrant Agreement"). Freeman Spogli agrees that at the time of the closing under the Merger Agreement, the warrants to acquire 364,884 shares of Common Stock, par value $.01 per share ("CBRE Common Stock"), of CBRE beneficially owned by Freeman Spogli shall be cancelled by CBRE without any payment to Freeman Spogli.

4.9. Consultation. In connection with (a) exercising its discretion under Sections 1.5 and 4.1 and (b) any negotiations contemplated by Section 4.2, BLUM and Holding will use their good faith efforts to (i) promptly communicate with the other parties hereto concerning the relevant issues and terms, (ii) permit the other parties hereto to participate in the negotiation of such terms, if applicable, and (iii) consider the views of the other parties hereto in the making of any decisions or conduct of any negotiations, as applicable.

4.10. Waiver of Certain Rights in KRES Merger Agreement. Effective upon the Closing, each of FSEP, FSEP International, Koll Holding Company and Wirta (collectively, the "Former KRES Shareholders") irrevocably and unconditionally waives any rights that it or he may have under (i) Section 10.13 of the Agreement and Plan of Merger, dated as of May 14, 1997 (the "KRES Merger Agreement"), by and among CBRE, Koll Real Estate Services, the Former KRES Shareholders and the other parties thereto, and (ii) the Registration Rights Agreement, dated as of May 14, 1997, by and among CBRE, the Former KRES Shareholders and the other parties thereto.

4.11. Conversion of Koll Warrants. Each of Wirta, Koll and The Koll Holding Company ("TKHC") agrees that at the time of the closing under the Merger Agreement, the warrants to acquire 84,988 shares of CBRE Common Stock beneficially owned by Wirta, Koll or TKHC (which total includes warrants to

acquire 55,936 shares of CBRE Common Stock beneficially owned by each of Wirta, Koll and TKHC as a result of the Amended and Restated Option Agreement, dated as of August 27, 1997 (the "Wirta-Koll Option Agreement"), by and among The Koll Company, TKHC, Wirta and Koll Real Estate Services) shall each be converted into the right to receive $1.00 and shall not thereafter represent the right to receive any securities of, or other consideration from, Holding or CBRE.

4.12. Transfers. Each Investor agrees not to enter into any plan, agreement, arrangement or understanding to transfer its shares of Holding Class B Common Stock prior to and including the Contribution Closing.

V MISCELLANEOUS

5.1. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy, telegraph or telex), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, or, in the case of telegraphic notice, when delivered to the telegraph company, or, in the case of telex notice, when sent, answerback received, addressed as follows to Holding, Newco and the Investors, or to such other address as may be hereafter notified by the parties hereto:

(a) If to Holding or Newco, to it at the following address:

c/o BLUM Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, California 94133
Attn: Claus Moller
Telephone: (415) 288-7262
Telecopy: (415) 434-3130

with a copy to:

Simpson Thacher & Bartlett
3330 Hillview Avenue
Palo Alto, California 94304
Attn: Richard Capelouto
Telephone: (650) 251-5060
Telecopy: (650) 251-5002

(b) If to an Investor, to it at its address set forth in Section 6.3 of the Securityholders' Agreement.

(c) If to Koll, to him at the address for TKHC set forth in Section 6.3 of the Securityholders' Agreement.

5.2. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts executed and to be performed entirely within that state. Each of the parties by its execution hereof hereby (i) irrevocably submits to the jurisdiction of the federal and state courts located in the County of San Francisco in the State of California for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement or any other agreement contemplated hereby or relating to the subject matter hereof or thereof and (ii) waives to the extent not prohibited by applicable law, and agrees not to assert by way of motion, as a defense or otherwise, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that any right or remedy relating to this Agreement or any other agreement contemplated hereby, or the subject matter hereof or thereof, may not be enforced in or by such court. Each of the parties hereby consents to service of process in any such proceeding in any manner permitted by the laws of the state of California, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 5.2 hereof is reasonably calculated to give actual notice.

5.3. Assignment. This Agreement may not be assigned by any party hereto, except that the rights and obligations of BLUM to provide the BLUM Cash Contribution may be assigned by BLUM in whole or in part to any affiliate of BLUM provided that no such assignment will relieve BLUM of any of its obligations hereunder. Any assignment or delegation in derogation of this provision shall be null and void. The provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, executors and administrators of the parties hereto.

5.4. Amendment. No amendment, modification or supplement to this Agreement shall be enforced against any party hereto unless such amendment, modification or supplement is in writing and signed by Holding and such party.

5.5. 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 together shall constitute one and the same instrument.

5.6. Integration. This Agreement, the Merger Agreement, the Securityholders' Agreement, the Warrant Agreement, the letter agreement between BLUM and an affiliate of Freeman Spogli and the documents referred to herein and therein or delivered pursuant hereto or thereto contain the entire understanding of the parties with respect to the subject matter hereof and thereof. There are no agreements, representations, warranties, covenants or undertakings with respect to the subject matter hereof and thereof other than those expressly set forth herein and therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to this subject matter, including, without limitation, the letter agreement dated as of November 10, 2000 among the Investors.

5.7. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in addition to any other remedy to which they are entitled at law or in equity.

5.8. Amendment and Restatement; Effectiveness of Representations and Warranties and Agreements.

(a) This Agreement amends certain provisions of the Original Agreement and restates the terms of the Original Agreement in their entirety so as to reflect and give effect to such amendments. All amendments to the Original Agreement effected by this Agreement, and all other covenants, agreements, terms and provisions of this Agreement, shall have effect from the date of the Original Agreement.

(b) Each of the representations and warranties of each party hereto made in this Agreement shall be deemed (i) to be made on the date of the Original Agreement and as of the Contribution Closing and (ii) not made on the date hereof.

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

CBRE HOLDING, INC.

By:

Name:
Title:

BLUM CB CORP.

By:

Name:
Title:

RCBA STRATEGIC PARTNERS, L.P.

By: RCBA GP, 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:

THE KOLL HOLDING COMPANY

_____
By: Donald M. Koll

_____
Frederic V. Malek

_____
Raymond E. Wirta

_____
W. Brett White

_____
Donald M. Koll

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Contribution and Voting Agreement among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., The Koll Holding Company, Frederic V. Malek, Raymond E. Wirta, W. Brett White and Donald M. Koll, I, _____, the spouse of Raymond E. Wirta, do hereby join with my spouse in executing the foregoing Contribution and Voting Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ __, 2001

[Spouse]

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Contribution and Voting Agreement among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., The Koll Holding Company, Frederic V. Malek, Raymond E. Wirta, W. Brett White and Donald M. Koll, I, _____, the spouse of W. Brett White, do hereby join with my spouse in executing the foregoing Contribution and Voting Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ __, 2001

[Spouse]

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Contribution and Voting Agreement among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., The Koll Holding Company, Frederic V. Malek, Raymond E. Wirta, W. Brett White and Donald M. Koll, I, _____, the spouse of Frederic V. Malek, do hereby join with my spouse in executing the foregoing Contribution and Voting Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ __, 2001

[Spouse]

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Contribution and Voting Agreement among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., The Koll Holding Company, Frederic V. Malek, Raymond E. Wirta, W. Brett White and Donald M. Koll, I, _____, the spouse of Donald M. Koll, do hereby join with my spouse in executing the foregoing Contribution and Voting Agreement and do hereby agree to be bound by all of the terms and provisions thereof.

Dated as of _____ __, 2001

[Spouse]

EXECUTION COPY

Schedule I

	Total Shares of Outstanding Common Stock Beneficially Owned
BLUM	3,423,886
Freeman Spogli	3,402,463
Raymond E. Wirta	35,000
W. Brett White	58,575
Frederic V. Malek	397,873
The Koll Holding Company	734,290/1/

/1/ The shares listed as beneficially owned by Raymond E. Wirta do not include currently exercisable options (the "Wirta-Koll Options") granted to Mr. Wirta by The Koll Holding Company (which is the wholly-owned subsidiary of The Koll Company, which is wholly-owned by the Don Koll Separate Property Trust, a trust for which Donald M. Koll is trustee) to acquire 521,590 shares of CBRE Common Stock held by The Koll Holding Company. The shares listed as beneficially owned by The Koll Holding Company include the shares of CBRE Common Stock underlying the Wirta-Koll Options. To the extent that the Wirta-Koll Options are exercised prior to the Contribution Closing, such underlying shares of CBRE Common Stock received by Mr. Wirta shall be contributed to Holding at the Contribution Closing pursuant to Section 1.3 hereto by Mr. Wirta instead of The Koll Holding Company and Mr. Wirta shall receive the corresponding number of shares of Holding Common Stock at the Contribution Closing in respect thereof pursuant to Section 1.3 hereto instead of The Koll Holding Company.

EXECUTION COPY

Exhibit A

[Insert final form of Securityholders' Agreement]

EXECUTION COPY

Exhibit B

[Insert final form of Warrant Agreement]

EXHIBIT 3

SECURITYHOLDERS' AGREEMENT

among

RCBA STRATEGIC PARTNERS, L.P.,

BLUM STRATEGIC PARTNERS II, L.P.

FS EQUITY PARTNERS III, L.P.,

FS EQUITY PARTNERS INTERNATIONAL, L.P.,

THE KOLL HOLDING COMPANY,

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM,

FREDERIC V. MALEK,

DLJ INVESTMENT FUNDING, INC.,

CREDIT SUISSE FIRST BOSTON CORPORATION,

THE MANAGEMENT INVESTORS,

CB RICHARD ELLIS SERVICES, INC.,

and

CBRE HOLDING, INC.

Dated as of July 20, 2001

<TABLE>
<S> <C>

</TABLE>

</TABLE>

<TABLE>
<S> <C>

</TABLE>

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 II, 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 Credit Suisse First Boston Corporation ("CSFB" and together with DLJ, the "Note Investors"), (vi) California Public Employees' Retirement System (together with its successors, "CalPERS"), (vii) The Koll Holding Company, a California corporation (together with its successors, "Koll"), Frederic V. Malek ("Malek", and together with CalPERS and Koll, the "Other Non-Management Investors"), and (viii) 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:

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.

"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. (v) any non-recurring fees, expenses or charges related to any equity issuance, investment or acquisition or incurrence of Indebtedness, in an amount not exceeding $5,000,000 for all such non-recurring fees, expenses and charges, (vi) any non-recurring charges that are associated with the CBRE 2001 Cost Reduction Plan announced prior to the Closing and implemented within 90 days thereafter, in an aggregate amount not exceeding $4,000,000, and (vii) all other non-cash losses, expenses and charges of the Company and its consolidated subsidiaries (excluding (x) the write-down of current assets and (y) any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period) and minus (b) without duplication (i) all cash payments made during such period on account of reserves, restructuring charges and other non-cash charges added to consolidated net income pursuant to clause (a)(vi) above in a previous period and (ii) to the extent included in determining such consolidated net income, any extraordinary gains for such period, all determined on a consolidated basis in accordance with GAAP. For purposes of calculating Consolidated EBITDA for any period that includes the fiscal quarters ended March 31, 2001, or June 30, 2001, pro forma effect shall be given to the CBRE 2001 Cost Reduction Plan (to the extent implemented but without duplication) as if such plan (to the extent implemented) had been implemented January 1, 2001.

"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
-------- -------
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
 ----
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
 ----
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
 ----
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
 ------
(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
----
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, CalPERS 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 Investors 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; provided, however, that a Transfer shall not include a pledge by a Securityholder that is a fund that invests in bank loans to its trustee.

"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 II, L.P., FS EQUITY PARTNERS III, L.P., FS EQUITY PARTNERS INTERNATIONAL, L.P., THE KOLL HOLDING COMPANY, CALPERS, 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
-------- -------
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 of the Restricted Securities (the "Transfer
----
Securities") then owned by such 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 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 Price") at which such Transferring
----
Securityholder proposes to Transfer such 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
----
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 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 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 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 (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 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 borne entirely by the Securityholder making the representation) 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; provided, however, that in no event shall any Tagging Securityholder's
-------- -------
liabilities exceed the total net proceeds from such Transfer received by such Tagging Securityholder. 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 in no event shall any Non-BLUM Party's liabilities
-------- -------
exceed the total net proceeds from such Transfer received by such Non-BLUM Party; provided, further 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, and, if any Initiating Holder is BLUM, CalPERS as nearly as possible on a pro rata basis based on the total number of Registrable Securities held by all such Initiating Holders and, if applicable, CalPERS, 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 and, if applicable, CalPERS), 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 prohibited from delivering
---
additional notices pursuant to this Section 3.1(c)(iv) until the 181/st/ 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 an 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) White 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 an 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 an 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 an IPO hereby agrees that, at all times after an 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 an 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 an 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 and the CalPERS Observer referred to below, 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) Prior to an IPO, CalPERS shall be entitled to have one observer (the "CalPERS Observer") at all regular and special meetings of the Board for so long as CalPERS or its Affiliates beneficially own any shares of Common Stock.

(d) The Company shall reimburse each Observer for out-of-pocket expenses, if any, relating to attendance at such meetings and shall reimburse each Material Securityholder for the out-of-pocket expenses, if any , relating to one representative of such Material Securityholder attending each shareholder meeting of the Company. 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, subject to applicable law. 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, subject to applicable law. CalPERS agrees to cause the CalPERS Observer to keep any matters observed or materials received by him or her at any meeting of the Board strictly confidential, subject to applicable law.

(e) 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 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
-------- -------
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
-------- -------
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 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):

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

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

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

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

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

If to CalPERS:

CalPERS
Lincoln Plaza
400 P Street, Rm. 3492
Sacramento, CA 95814
Attn: Rick Hayes
Leon Shahinian
Marte Castanos
Fax: (916) 326-3344

With a copy to:

Pacific Corporate Group
1200 Prospect Street
La Jolla, CA 92037
Attn: Walter Fitzsimmons
Fax: (858) 456-6018

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 II, L.P.

By: Blum Strategic GP II, L.L.C., its general partner

By:

Name:
Title:

DLJ INVESTMENT FUNDING, INC.

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:

THE KOLL HOLDING COMPANY

_____
By:

_____
Frederic V. Malek

MANAGEMENT INVESTORS:

_____
Raymond E. Wirta

_____
W. Brett White

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

_____
By:

OTHER NOTE INVESTORS:

CREDIT SUISSE FIRST BOSTON CORPORATION

By:

Name:
Title:

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., Credit Suisse First Boston Corporation, The Koll Holding Company, CalPERS, 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., Credit Suisse First Boston Corporation, The Koll Holding Company, CalPERS, 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.,

Credit Suisse First Boston Corporation, The Koll Holding Company, CalPERS, 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., Credit Suisse First Boston Corporation, The Koll Holding Company, CalPERS, 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., The Koll Holding Company, CalPERS, Frederic V. Malek, and the individuals identified on the signature pages thereto as "Other Note Purchasers" and "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, CalPERS, 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

WARRANT AGREEMENT

THIS WARRANT AGREEMENT (the "Agreement") is made and entered into as of July 20, 2001 between CBRE Holding, Inc., a Delaware corporation (the "Company") and 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, the "FS Parties").

WHEREAS, pursuant to that certain Agreement and Plan of Reorganization, dated as of May 14, 1997 by and among CB Richard Ellis Services, Inc. (successor to CB Commercial Real Estate Services Group, Inc.) ("CBRE"), Koll Real Estate Services ("KRES") and the other parties listed therein, KRES merged with a subsidiary of CBRE and the holders of shares of common stock of KRES, including the FS Parties, and options exercisable into shares of common stock of KRES received warrants (the "Old Warrants") to purchase up to an aggregate of 500,000 shares of the Common Stock of CBRE;

WHEREAS, pursuant to that certain Amended and Restated Agreement and Plan of Merger (the "Merger Agreement"), dated as of May 31, 2001, by and among, CBRE, the Company and BLUM CB Corp., a Delaware corporation and wholly owned subsidiary of the Company (the "Acquiror"), the Acquiror will merge with and into CBRE, such that CBRE shall become a wholly owned subsidiary of the Company; and

WHEREAS, pursuant to that certain Amended and Restated Contribution and Voting Agreement, dated as of May 31, 2001, by and among, the Company, the FS Parties and the other parties thereto, upon the Closing, among other things, (i) the Company shall cancel the Old Warrants, and (ii) the FS Parties shall receive, in the aggregate, warrants, evidenced by a Warrant Certificate in substantially the form attached hereto as Exhibit A (the "Warrants"), to purchase up to an aggregate of [number of shares of Common Stock equal to the number that represents the same percentage of the total outstanding shares of Common Stock immediately after consummation of the Merger (with respect to the Company) as the warrants to acquire 364,884 shares of CBRE Common Stock entitled Freeman Spogli immediately prior to the consummation of the Merger (with respect to CBRE)] shares (the "Warrant Shares") of the Class B Common Stock, par value $.01 per share (the "Common Stock"), of the Company.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto agree as follows (capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Merger Agreement):

Optional Exercise of Warrant.

Subject to the terms of this Agreement, each holder of a Warrant may, at any time on and after August 26, 2007, but not later than August 27, 2007 (the "Expiration Date"), exercise this Warrant in whole at any time or in part from time to time for the number of Warrant Shares which such holder is then entitled to purchase hereunder.

Each holder of a Warrant may exercise such Warrant, in whole or in part by either of the following methods:

delivering to the Company at its office maintained for such purpose pursuant to Section 12(d): (i) a written notice of such holder's election to exercise such Warrant, which notice shall specify the number of Warrant Shares to be purchased, (ii) the Warrant and (iii) a sum equal to the Exercise Price (as set forth in the Warrant) therefor payable in immediately available funds; or

The holder of a Warrant may also exercise such Warrant, in whole or in part, in a "cashless" or "net-issue" exercise by delivering to the Company at its office maintained for such purpose pursuant to Section 12(d): (i) a written notice of such holder's election to exercise such Warrant, which notice shall specify the number of Warrant Shares to be delivered to such holder and the number of Warrant Shares with respect to which such Warrant is being surrendered in

payment of the aggregate Exercise Price for the Warrant Shares to be delivered to the holder, and (ii) the Warrant. For purposes of this provision, all Warrant Shares as to which the Warrant is surrendered will be attributed a value equal to (x) the current market price per share of Common Stock (determined in the manner set forth in Section 7(f)) minus (y) the current Exercise Price per share of Common Stock.

Such notice may be in the form of Election to Purchase substantially in the form of Exhibit B attached hereto. Upon delivery thereof, together with the Warrant and the Exercise Price, as applicable, and such holder becoming a party to the Securityholders' Agreement, dated as of the date hereof (the "Securityholders' Agreement"), by and among the Company, the FS Parties and the other parties thereto if such holder shall not already be a party thereto, the Company shall cause to be executed and delivered to such holder within five business days a certificate or certificates representing the aggregate number of fully-paid and nonassessable shares of Common Stock issuable upon such exercise.

The stock certificate or certificates for Warrant Shares so delivered shall be in such denominations as may be specified in said notice and shall be registered in the name of such holder or such other name or names as shall be designated in said notice. Such certificate or certificates shall be deemed to have been issued and such holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares, including to the extent permitted by law the right to vote such shares or to consent or to receive notice as a stockholder (subject to the terms of the Securityholders' Agreement), as of the time said notice is delivered to the Company as aforesaid; provided that such shares shall be subject to the provisions of the Securityholders' Agreement. If a Warrant shall have been exercised only in part, the Company shall, at the time of delivery of said certificate or certificates, deliver to such holder a new Warrant dated the date it is issued, evidencing the rights of such holder to purchase the remaining Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant, or, at the request of such holder, appropriate notation may be made on this Warrant and the Warrant shall be returned to such holder.

All Warrant Shares issuable upon the exercise of a Warrant shall be validly issued, fully paid and nonassessable and free from all liens and other encumbrances thereon, other than liens or other encumbrances created by the holder thereof or the restrictions set forth in the Securityholders' Agreement.

The Company will not close its books against the transfer of a Warrant or of any

Warrant Shares in any manner which interferes with the timely exercise of a Warrant. The Company will from time to time take all such action as may be necessary to assure that the par value per share of the unissued Common Stock acquirable upon exercise of a Warrant is at all times equal to or less than the Exercise Price then in effect.

Automatic Exercise of Warrant.

Notwithstanding the prior delivery of a notice pursuant to Section 1 hereto, in the event an Automatic Exercise Event (as defined below) occurs prior to the Expiration Date, without any action by the Company or the FS Parties, the Warrants shall automatically be exercised in a "cashless" or "net issue" exercise pursuant to which (i) the Exercise Price shall be paid to the Company entirely in Warrant Shares (or such other consideration as set forth in Section 7(l) hereto), which for purposes of this provision, will be attributed a value equal to (x) the current market price per share of Common Stock (determined in the manner set forth in Section 7(f)) to the holders thereof minus (y) the current Exercise Price per share of Common Stock, and (ii) the Company, subject to the following paragraph of this Section 2, shall deliver to the holders thereof the number of Warrant Shares remaining after subtracting the Exercise Price; provided, however that if, upon an Automatic Exercise Event, the amount set forth in subclause (y) of the foregoing clause (i) shall be equal to or greater than the amount set forth in subclause (x) of the foregoing clause (i), then the Warrants, without any action by the Company or the FS Parties, shall be cancelled and shall cease to represent the right to receive any Warrant Shares or other security, property or asset of the Company or any surviving entity.

As soon as practicable after an Automatic Exercise Event, the Company shall deliver a notice of such Automatic Exercise Event to each of the holders of the Warrants. Upon delivery of the Warrants to the Company by a holder thereof and such holder becoming a party to the Securityholders' Agreement, if such holder shall not already be a party thereto, the Company shall cause to be executed and delivered to such holder within five business days a certificate or certificates representing the aggregate number of fully-paid and nonassessable shares of Common Stock issuable as a result of such Automatic Exercise Event.

The stock certificate or certificates for Warrant Shares so delivered

shall be in such denominations as may be specified by the Warrant holders and shall be registered in the name of such holder or such other name or names as shall be designated by the Warrant holders . Such certificate or certificates shall be deemed to have been issued and such holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares, including to the extent permitted by law the right to vote such shares or to consent or to receive notice as a stockholder (subject to the terms of the Securityholders' Agreement), as of the time of the Automatic Exercise Event; provided that such shares shall be subject to the provisions of the Securityholders' Agreement.

All Warrant Shares issuable upon an Automatic Exercise Event shall be validly issued, fully paid and nonassessable and free from all liens and other encumbrances thereon, other than liens or other encumbrances created by the holder thereof or the restrictions set forth in the Securityholders' Agreement.

The Company will not close its books against the transfer of a Warrant or of any

Warrant Shares in any manner which interferes with the exercise of a Warrant pursuant to an Automatic Exercise Event. The Company will from time to time take all such action as may be necessary to assure that the par value per share of the unissued Common Stock acquirable upon exercise of a Warrant pursuant to an Automatic Exercise Event is at all times equal to or less than the Exercise Price then in effect.

For purposes of this Agreement, an "Automatic Exercise Event" shall mean either (a) the completion of a 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-8 or any similar or successor form) filed under the Securities Act pursuant to which the Company becomes listed on a national securities exchange or on the NASDAQ Stock Market (the "Initial Public Offering"), (b) any "person" or "group," (each as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) other than BLUM Capital Partners, L.P. ("BLUM") and its affiliates, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the outstanding voting stock of the Company, including by way of merger, consolidation or otherwise, and BLUM and its affiliates cease to control the Company's Board of Directors, (c) any sale of all or substantially all of the assets of the Company and its subsidiaries to any "person" or "group," (each as defined in Rules 13d-3 and 13d-5 under the Exchange Act) other than BLUM and its affiliates, or (d) any merger, consolidation or other transaction or series or related transactions after the consummation of which the shares owned by the holders of the Company's outstanding voting stock possessing a majority of the voting power to elect the Company's Board of Directors immediately prior to the occurrence of such transaction or transactions cease to constitute a majority of the Company's outstanding voting stock possessing the voting power to elect the Company's Board of Directors (or equivalent governing body).

Transfer, Division and Combination.

Subject to the Securityholders' Agreement, the Warrants are, and all rights thereunder are, transferable, in whole or in part, on the books of the Company to be maintained for such purpose, upon (a) surrender of a Warrant at the office of the Company maintained for such purpose pursuant to Section 12(d), together with a written assignment of such Warrant duly executed by the holder thereof or its agent or attorney and payment of funds sufficient to pay any stock transfer taxes payable upon the making of such transfer, and (b) a signed agreement by the assignee or assignees to become a party to the Securityholders' Agreement prior to the exercise of such Warrant, provided, that, if Warrants are transferred to any person or entity that is entitled to hold only Class A Common Shares, par value $0.01, of the Company ("Class A Common Shares") pursuant to the terms of the Company's Amended and Restated Certificate of Incorporation or the Securityholders' Agreement then such transferred Warrants shall only be exercisable for Class A Common Shares. Upon such surrender and, if required, such payment, the Company shall, execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and the surrendered Warrant shall promptly be canceled. If and when a Warrant is assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the absolute owner of such Warrant for all purposes and the Company shall not be affected by any notice to the contrary. A Warrant, if properly assigned in compliance with this Section 3, may be exercised by an assignee for the purchase of shares of Common Stock or Class A Common Stock, as the

case may be, without having a new Warrant issued.

A Warrant may, be divided or combined with other Warrants upon presentation at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the holder hereof or its agent or attorney. Subject to compliance with the preceding paragraph, as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

The Company agrees to maintain at its aforesaid office books for the registration and transfer of the Warrants.

Payment of Taxes.

The Company will pay all documentary stamp taxes attributable to the initial issuance of Warrant Shares upon the exercise of Warrants; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue of any Warrants or any certificates for Warrant Shares in a name other than that of the registered holder of a Warrant surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such Warrant unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Mutilated or Missing Warrants.

In case any of the Warrant shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue, in exchange and substitution for and upon cancellation of the mutilated Warrant, or in lieu of and substitution for the Warrant lost, stolen or destroyed, a new Warrant of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence satisfactory to the Company of such loss, theft or destruction of such Warrant and indemnity, if requested, also satisfactory to them. Applicants for such substitute Warrants shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

Reservation of Warrant Shares.

The Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock or its authorized and issued Common Stock held in its treasury, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon exercise of Warrants, the maximum number of shares of Common Stock which may then be deliverable upon the exercise of all outstanding Warrants.

The Company or, if appointed, the transfer agent for the Common Stock (the "Transfer Agent") and every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of any of the rights of purchase aforesaid will be irrevocably authorized and directed at all times to reserve such number of authorized shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the

Transfer Agent and with every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. The Company will furnish such Transfer Agent a copy of all notices of adjustments and certificates related thereto transmitted to each holder pursuant to Section 9 hereof.

Adjustment of Exercise Price.

The Exercise Price and the number of Warrant Shares issuable upon the exercise of each Warrant are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 7. For purposes of this Section 7, "Common Stock" means shares now or hereafter authorized of any class of common stock of the Company and any other stock of the Company, however designated, that has the right (subject to any prior rights of any class or series of preferred stock) to participate in any distribution of the assets or earnings of the Company without limit as to per share amount.

Adjustment for Change in Capital Stock.

If the Company:

pays a dividend or makes a distribution on its Common Stock in shares of its Common Stock;

subdivides its outstanding shares of Common Stock into a greater number of shares;

combines its outstanding shares of Common Stock into a smaller number of shares;

makes a distribution on its Common Stock in shares of its capital stock other than Common Stock; or

issues by reclassification of its Common Stock any shares of its capital stock;

then the Exercise Price in effect immediately prior to such action and the number and kind of shares into which a Warrant is exercisable shall all be adjusted appropriately so that the holder of any Warrant thereafter exercised may receive the aggregate number and kind of shares of capital stock of the Company which he would have owned immediately following such action if such Warrant had been exercised immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification.

If after an adjustment a holder of a Warrant upon exercise of it may receive shares of two or more classes of capital stock of the Company, the Board of Directors of the Company shall determine the allocation of the adjusted Exercise Price between the classes of capital stock. After such allocation, the exercise privilege and the Exercise Price of each class of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock in this Section.

Such adjustment shall be made successively whenever any event listed above

shall occur.

Adjustment for Rights Issue.

If the Company distributes any rights, options or warrants to all holders of its Common Stock entitling them for a period expiring within 60 days after the record date for such distribution to purchase shares of Common Stock at a price per share less than the current market price per share on that record date, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{O + \frac{N \times P}{M}}{O + N}$$

where:

- E' = the adjusted Exercise Price.
- E = the current Exercise Price.
- O = the number of shares of Common Stock outstanding on the record date.
- N = the number of additional shares of Common Stock offered pursuant to such rights issue.
- P = the offering price per share of the additional shares.
- M = the current market price per share of Common Stock on the record date.

The adjustment shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the record date for the determination of stockholders entitled to receive the rights, options or warrants. If at the end of the period during which such rights, options or warrants are exercisable, not all rights, options or warrants shall have been exercised, the Exercise Price shall be immediately readjusted to what it would have been if "N" in the above formula had been the number of shares actually issued.

Adjustment for Other Distributions.

If the Company distributes to all holders of its Common Stock any assets (excluding cash) or debt securities or any rights or warrants to purchase debt securities, assets or other securities, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{M - F}{M}$$

where:

- E' = the adjusted Exercise Price.
- E = the current Exercise Price.
- M = the current market price per share of Common Stock on the

record date mentioned below.

F = the aggregate fair market value on the record date of the assets, securities, rights or warrants divided by the number of outstanding shares of Common Stock on the record date for such distribution. The Board of Directors of the Company shall determine the fair market value.

The adjustment shall be made successively whenever any such distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive the distribution.

Adjustment for Common Stock Issue:

If the Company issues shares of Common Stock for a consideration per share less than the current market price per share on the date the Company fixes the offering price of such additional shares, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{O + \frac{P}{M}}{A}$$

where:

E' = the adjusted Exercise Price.
E = the then current Exercise Price.
O = the number of shares outstanding immediately prior to the issuance of such additional shares.
P = the aggregate consideration received for the issuance of such additional shares.
M = the current market price per share on the date of issuance of such additional shares.
A = the number of shares outstanding immediately after the issuance of such additiona| shares.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

This subsection (d) does not apply to:

any of the transactions described in subsections (b) and (c) of this Section 7,

the exercise of Warrants, or the conversion or exchange of other securities convertible into, or exchangeable or exercisable for, Common Stock,

Common Stock issued to the Company's employees under bona fide employee benefit plans adopted by the Board of Directors and approved by the holders of Common Stock when required by law, if such Common Stock would otherwise be covered by this subsection (d),

Common Stock issued upon the exercise of rights or warrants issued to the holders of Common Stock,

Common Stock issued to shareholders of any person which merges into the Company in proportion to their stock holdings of such person immediately prior to such merger, upon such merger,

Common Stock issued in a bona fide public offering pursuant to a firm commitment underwriting,

Common Stock issued in a bona fide private placement to, or through a placement agent which is, a member firm of the National Association of Securities Dealers, Inc., or

Common Stock issued as a dividend on any preferred stock in accordance with the stated terms of such preferred stock and in lieu of cash dividends otherwise payable on such preferred stock pursuant to the instrument under which the preferred stock was issued.

Adjustment for Convertible Securities Issue.

If the Company issues any securities convertible into or exchangeable or exercisable for Common Stock (other than securities issued in transactions described in subsections (b) and (c) of this Section 7) for a consideration per share of Common Stock initially deliverable upon conversion or exchange of such securities less than the current market price per share on the date of issuance of such securities, the Exercise Price shall be adjusted in accordance with this formula:

$$E' = E \times \frac{O + M}{O + D}$$

where:

E' = the adjusted Exercise Price.
E = the then current Exercise Price.
O = the number of shares outstanding immediately prior to the issuance of such securities.
P = the aggregate consideration received for the issuance of such securities.
M the current market price per share of Common Stock on the date of issuance of such securities.
D = the maximum number of shares deliverable upon conversion or in exchange for such securities at the initial conversion or exchange rate.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

If all of the Common Stock deliverable upon conversion or exchange of such securities has not been issued when such securities are no longer outstanding, then the Exercise Price shall promptly be readjusted to the Exercise Price which would then be in effect had the adjustment upon the issuance of such securities been made on the basis of the actual number of shares of Common Stock issued upon conversion or exchange of such securities.

This subsection (e) does not apply to:

convertible securities issued to shareholders of any person which merges into the Company, or with a subsidiary of the Company, in proportion to their stock holdings of such person immediately prior to such merger, upon such merger,

convertible securities issued in a bona fide public offering pursuant to a firm commitment underwriting,

convertible securities issued in a bona fide private placement through a placement agent which is a member firm of the National Association of Securities Dealers, Inc.,

rights, warrants and convertible and exchangeable securities outstanding on or prior to the date of issuance of the Warrant, or

convertible securities or warrants issued in connection with the incurrence of debt by the Company or any of its subsidiaries, so long as the fair value allocable to such convertible securities or warrants (taking into account the terms of the debt), together with any consideration payable to the Company upon conversion or exercise of such convertible securities or warrants, treating such convertible securities or warrants on an as converted basis, is no less than the then current market price of Common Stock on the date of issuance of such convertible securities or warrants.

Current Market Price.

Subject to the last two sentences of this subsection (f), in subsections (b), (c), (d) and (e) of this Section 7, the current market price per share of Common Stock on any date is 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 the Common Stock is the last reported sales price of the Common Stock as reported by NASDAQ National Market, or if the Common Stock is listed on a securities exchange, the last reported sales price of the Common Stock on such exchange which shall be for consolidated trading if applicable to such exchange, 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 (including, without limitation, during the period prior to the Initial Public Offering), the Board of Directors of the Company shall determine the current market price on the basis of such quotations, if available, or other valuation information as it in good faith considers appropriate. In the event of the Initial Public Offering, the current market price per share of Common Stock shall be the Quoted Price on the day of such Initial Public Offering.

Consideration Received.

For purposes of any computation respecting consideration received pursuant to subsections (d) and (e) of this Section 7, the following shall apply:

in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions, discounts or other expenses incurred by the Company for any underwriting of the issue or

otherwise in connection therewith;

in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors (irrespective of the accounting treatment thereof), whose determination shall be conclusive; and

in the case of the issuance of securities convertible into or exchangeable for shares, the aggregate consideration received therefor shall be deemed to be the consideration received by the Company for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Company upon the conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses (1) and (2) of this subsection).

When De Minimis Adjustment May Be Deferred.

No adjustment in the Exercise Price need be made unless the adjustment would require on increase or decrease of at least 1% in the Exercise Price. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment.

All calculations under this Section shall be made to the nearest cent or nearest 1/100th of a share as the case may be.

When No Adjustment Required.

No adjustment need be made for a transaction referred to in subsection (a), (b), (c), (d) or (e) of this Section 7 if Warrant holders are permitted to participate in the transaction (without being required to exercise their Warrants in order to do so) on a basis and with notice that the Board of Directors of the Company determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction.

No adjustment need be made for rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest.

No adjustment need be made for a change in the par value or no par value of the Common Stock.

To the extent the Warrants become convertible into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash.

Notice of Adjustment.

Whenever the Exercise Price is adjusted, the Company shall provide the notices required by Section 9 hereof.

Voluntary Reduction.

The Company from time to time may reduce the Exercise Price by any amount for any period of time if the period is at least 20 days and if the reduction is irrevocable during the

period; provided, however, that in no event may the Exercise Price be less than
--- ---
the par value of a share of Common Stock.

Whenever the Exercise Price is reduced, the Company shall mail to Warrant holders a notice of the reduction. The Company shall mail the notice at least 15 days before the date the reduced Exercise Price takes effect. The notice shall state the reduced Exercise Price and the period it will be in effect.

A reduction of the Exercise Price pursuant to this clause (k) does not change or adjust the Exercise Price otherwise in effect for purposes of subsections (a), (b), (c), (d) and (e) of this Section 7.

Reorganization of Company.

If the Company consolidates or merges with or into, or sells, transfers or leases all or substantially all of its assets to, any person (including, without limitation, in a transaction that is an Automatic Exercise Event), upon consummation of such transaction the Warrants shall automatically become exercisable (or, in the event of an Automatic Exercise Event, be exercised) for the kind and amount of securities, cash or other assets which the holder of a Warrant would have owned immediately after the consolidation,

merger, sale, transfer or lease if the holder had exercised the Warrant immediately before the effective date of the transaction. Unless such transaction shall have been an Automatic Exercise Event, concurrently with the consummation of such transaction, the corporation formed by or surviving any such consolidation or merger, if other than the Company, or the person to which such transfer, sale or lease shall have been made, shall enter into a supplemental Warrant Agreement so providing and further providing for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Section. The successor Company shall mail to warrant holders a notice describing the supplemental Warrant Agreement.

If the issuer of securities deliverable upon exercise of Warrants under the supplemental Warrant Agreement is an affiliate of the formed, surviving, transferee or lessee corporation, that issuer shall join in the supplemental Warrant Agreement.

If this subsection (l) applies, subsections (a), (b), (c), (d) and (e) of this Section 7 do not apply.

Determinations Conclusive.

Any determination that the Company or the Board of Directors of the Company must make pursuant to subsection (a), (c), (d), (e), (f), (g) or (i) of this Section 7 is conclusive, provided the Board of Directors has acted reasonably.

When Issuance or Payment May Be Deferred.

In any case in which this Section 7 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event (i) issuing to the holder of any Warrant exercised after such record date the Warrant Shares and such securities or assets, if any, issuable upon such exercise

over and above the Warrant Shares and such securities or assets, if any, issuable upon such exercise on the basis of the Exercise Price and (ii) paying to such holder any amount in cash in lieu of a fractional share pursuant to Section 8; provided, however, that the Company shall deliver to such holder a
-------- -------
due bill or other appropriate instrument evidencing such holder's right to receive such additional warrant Shares, other capital stock and cash upon the occurrence of the event requiring such adjustment.

Adjustment in Number of Shares.

Upon each adjustment of the Exercise Price pursuant to this Section 7, each Warrant outstanding prior to the making of the adjustment in the Exercise Price shall thereafter evidence the right to receive upon payment of the adjusted Exercise Price that number of shares of Common Stock (calculated to the nearest hundredth) obtained from the following formula:

$$N' = N \times \frac{E}{E'}$$

where:

N'	=	the adjusted number of Warrant Shares issuable upon exercise of a Warrant by payment of the adjusted Exercise Price.
N	=	payment of the Exercise Price prior to adjustment.
E'	=	the adjusted Exercise Price.
E	=	the Exercise Price prior to adjustment.

Fractional Interests.

The Company shall not be required to issue fractional Warrant Shares on the exercise of Warrants. If more than one Warrant shall be presented for exercise in full at the same time by the same holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8 be issuable on the exercise of any Warrants (or specified portion thereof), the Company shall pay an amount in cash equal to the current Exercise Price, multiplied by such fraction.

Notices to Warrant Holders.

Upon any adjustment of the Exercise Price pursuant to Section 7, the

Company shall promptly thereafter cause to be given to each of the registered holders of the Warrants at its address appearing on the Warrant register written notice of such adjustment by first-class mail, postage prepaid. Where appropriate, such notice may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 7.

In case:

the Company shall authorize the issuance to all holders of shares of Common Stock of rights, options or warrants to subscribe for or purchase shares of Common Stock or of any other subscription rights or warrants; or

the Company shall authorize the distribution to all holders of shares of Common Stock of evidences of indebtedness or assets, including cash dividends or cash distributions payable out of consolidated current or retained earnings, but not including dividends payable in shares of Common Stock or distributions referred to in subsection (a) of Section 7 hereof; or

of any consolidation or merger to which the Company is a party and of which approval of any shareholders of the Company is required, or of the conveyance, sale, transfer or lease of the properties and assets of the Company substantially as an entirety, or of any reclassification or change of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or a tender offer or exchange offer for shares of Common Stock; or

of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

the Company proposes to take any action (other than actions of the character described in Section 7(a)) that would require an adjustment of the Exercise Price pursuant to Section 7;

then the Company shall cause to be given to each of the registered holders of the Warrants at his address appearing on the Warrant register, at least 20 days (or 10 days in any case specified in clause (a) or (b) above) prior to the applicable record date hereinafter specified, or promptly in the case of events for which there is no record date, by first-class mail, postage prepaid, a written notice stating (i) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such rights, options, warrants or distribution are to be determined, or (ii) the initial expiration date set forth in any tender offer or exchange offer for shares of Common Stock, or (iii) the date on which any such consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective or consummated, and the date as of which it is expected that holders of record of shares of Common Stock shall be entitled to exchange such shares for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, conveyance, sale, transfer, lease, dissolution, liquidation, winding up or other action. The failure to give the notice required by this Section 9 or any defect therein shall not affect the legality or validity of any distribution, right, option, warrant, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any action.

Nothing contained in this Agreement or in any of the Warrants shall be construed as conferring upon the holders thereof the right to vote or to consent or to receive notice as shareholders in respect of the meetings of shareholders or the election of directors of the Company or any other matter or any rights whatsoever as shareholders of the Company.

Amendments.

The terms of this Warrant Agreement and the Warrants may be amended by the Company, and the observance of any term herein or therein may be waived, but only with the written consent of the holders of Warrants representing a majority in number of the total Warrant

Shares at the time purchasable upon the exercise of all then outstanding Warrants, provided that no such action may change the Exercise Price (other than in accordance with Section 7(k) hereof) without the written consent of all holders of Warrants affected thereby.

Miscellaneous.

Issue Date. The provisions of this Warrant shall be construed and shall be given
---
effect in all respects as if it had been issued and delivered by the Company on the date hereof.

Successors. This Warrant shall be binding upon any successors or assigns of the
---
Company.

Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware.

Office of the Company. So long as the Warrants remain outstanding, the Company shall maintain an office where the Warrants may be presented for exercise, transfer, division and combination. Such office shall be at 200 North Sepulveda Boulevard, El Segundo, California 90245-4380, unless and until the Company shall designate and maintain another office for such purposes, in which case the Company shall deliver notice of such change to all holders of outstanding Warrants in the manner set forth herein.

Headings. The headings used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this agreement.

Notices. Unless otherwise provided, any notice required or permitted under this Warrant shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or three days after being sent via air courier, in all cases addressed to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten days advance written notice to the other party. Notwithstanding the foregoing, notice may be given by telex or facsimile provided that appropriate confirmation of receipt is received.

Saturdays, Sundays, Holidays. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday or a Sunday or shall be a legal holiday in the State of California, then such action may be taken or such right may be exercised on the next succeeding day not a legal holiday.

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

CBRE HOLDING, INC.

By: /s/ Walter V. Stafford
Name: Walter V. Stafford
Title: Secretary

FS EQUITY PARTNERS III, L.P.

By: FS Capital Partners, L.P.
Its: General Partner

By: FS Holdings, Inc.
Its: General Partner

By: /s/ James F. Simmons
Name: James F. Simmons
Title: Chief Financial Officer

FS EQUITY PARTNERS INTERNATIONAL, L.P.

By: FS&Co. International, L.P.
Its: General Partner

By: FS International Holdings Limited
Its: General Partner

By: /s/ James F. Simmons
Name: James F. Simmons
Title: Vice President

EXHIBIT A

[FORM OF WARRANT CERTIFICATE]

[FRONT]

EXERCISABLE ON OR AFTER AUGUST 26, 2007
AND ON OR BEFORE AUGUST 27, 2007
OR UPON AN AUTOMATIC EXERCISE EVENT

No. ___ _____ Warrants

WARRANT CERTIFICATE

CBRE HOLDING, INC.

This Warrant Certificate certifies that _____, or registered assigns, is the registered holder of _____ Warrants expiring _____ (the "Warrants") to purchase shares of Class B Common Stock (the "Common Stock") of CBRE Holding, Inc. (the "Company"). Each Warrant entitles the holder, (i) unless an Automatic Exercise Event shall occur on or prior to August 27, 2007, upon exercise to receive from the Company on or after August 26, 2007 and on or before 5:00 p.m. Los Angeles Time on August 27, 2007 one fully paid and nonassessable share of Common Stock (a "Warrant Share") at the initial exercise price (the "Exercise Price") of $30.00, payable in lawful money of the United States of America or in Warrant Shares by "cashless exercise," upon surrender of this Warrant Certificate and payment of the Exercise Price at the principal office of the Company, but only subject to the conditions set forth herein and in the Warrant Agreement referred to on the reverse hereof, or (ii) upon the occurrence of an Automatic Exercise Event on or prior to August 27, 2007, to receive automatically from the Company a Warrant Share at the Exercise Price, payable by "cashless exercise," upon surrender of this Warrant Certificate and payment of the Exercise Price at the principal office of the Company, but only subject to the conditions set forth herein and in the Warrant Agreement referred to on the reverse hereof. The Exercise Price and number of Warrant Shares issuable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

Except in connection with an Automatic Exercise Event, no warrant may be exercised before August 26, 2007 or after 5:00 PM, Los Angeles time, on August 27, 2007 and to the extent not exercised by, or an Automatic Exercise Event shall not have occurred by, such time, such Warrants shall become void.

This Warrant Certificate shall be governed and construed in accordance with the internal laws of the State of Delaware.

IN WITNESS WHEREOF, CBRE Holding, Inc. has caused this Warrant Certificate to be signed by its President and by its Secretary, each by his signature or a facsimile of his signature.

Dated:

By:
President

By:
Secretary

[FORM OF WARRANT CERTIFICATE]

[REVERSE]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants expiring August 27, 2007 entitling the holder on exercise to receive shares of Class B Common Stock, of the Company (the "Common Stock"), $.01 par value, and are issued or to be issued pursuant to a Warrant Agreement dated as of _____ ____, 2001 (the "Warrant Agreement"), duly executed and delivered by the Company, which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company.

Unless an Automatic Exercise Event shall occur on or prior to August 27, 2007, warrants may be exercised at any time on or after August 26, 2007 and on or before August 27, 2007. The holder of Warrants evidenced by this Warrant Certificate may exercise them, subject to the limitations set forth in the Warrant Agreement, by surrendering this Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together

with payment of the Exercise Price in cash or immediately available funds or in Warrant Shares by "cashless exercise," at the principal office of the Company. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his assignee a new Warrant Certificate evidencing the number of Warrants not exercised.

Upon the occurrence of an Automatic Exercise Event on or prior to August 27, 2007, the Warrants evidenced by this Warrant Certificate shall automatically be exercised, subject to the limitations set forth in the Warrant Agreement, and the holder thereof shall be entitled to receive, upon surrendering this Warrant Certificate, together with payment of the Exercise Price in Warrant Shares by "cashless exercise," at the principal office of the Company, the number of Warrant Shares resulting after subtracting such Exercise Price.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price and the number of Warrant Shares into which this Warrant is exercisable set forth on the face hereof may, subject to certain conditions, be adjusted. No fractions of a share of Common stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant.

Warrant Certificates, where surrendered at the principal office of the Company by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the

principal office of the Company a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement (including, without limitation, delivery to the Company of the written agreement of such transferee(s) to become party to the Securityholders' Agreement, dated as of _____ ___, 2001, by and among the Company and the other parties thereto, if such transferee(s) are not already party thereto, prior to receipt from the Company of any Warrant Shares as a result of the exercise of the Warrants represented by such Warrant Certificate), without charge except for any tax or other governmental charge imposed in connection therewith.

The Company may deem and treat the registered holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitle any holder hereof to any rights of a stockholder of the Company.

EXHIBIT B

ELECTION TO PURCHASE
(To Be Executed Upon Exercise Of Warrant Pursuant To Section 1)

The undersigned hereby irrevocably elects to exercise the right represented by this Warrant, to receive _____ shares of Class B Common Stock and hereby tenders payment for such shares [to the order of BLUM CB Holding Corp. by cash or immediately available funds in the amount of $ _____] [by delivery to the Company of _____ Warrant Shares with respect to which this Warrant is being surrendered in payment of the aggregate Exercise Price for the Warrant Shares to be delivered to the holder] in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____, whose address is _____. If said number of shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant representing the remaining balance of such shares be registered in the name of_____, whose address is _____, and that such Warrant be delivered to _____, whose address is_____.

Date:

Print Name

Signature Guaranteed

_____

The signature must be guaranteed by a bank or trust company having an office in Los Angeles, California, or by a firm having membership on the New York Stock Exchange.

EXHIBIT 5

AMENDMENT, dated as of July 19, 2001 (this "Amendment"), to the Amended and Restated Contribution and Voting Agreement, dated as of May 31, 2001 (the "Agreement"), among the parties listed on the signature pages hereto. Capitalized terms defined in the Agreement when used in this Amendment shall have the same meanings set forth in the Agreement.

Each of the parties hereto agrees that anything in the Agreement to the contrary notwithstanding, the amount of the BLUM Cash Contribution will be reduced by the gross cash proceeds (not to exceed $10 million) received by Holding from the purchase by California Public Employees' Retirement System of Holding Class A Common Stock on the date of the Contribution Closing pursuant to a Subscription Agreement in the form of Annex I hereto (and there will be a corresponding reduction in the number of shares of Holding Class B common stock issued to BLUM).

Each of the parties hereto agrees that (i) the number of shares contributed by The Koll Holding Company will be reduced to 656,052 shares, a reduction of 78,238 shares and (ii) the BLUM Cash Contribution will be increased by $1,251,808 (and there shall be a corresponding increase in the number of shares of Holding Class B Common Stock issued to BLUM).

Each of the parties hereto agrees that the number of shares contributed by Raymond E. Wirta will be reduced to 30,000 shares, and that Mr. Wirta will contribute to Holding $80,000 in cash at the Contribution Closing so that the total number of shares of Holding Class B Common Stock issued to Mr. Wirta under the Contribution and Voting Agreement will remain at 35,000 shares.

Each of the parties hereto agrees that (i) the number of shares contributed by W. Brett White will be reduced to 57,500 shares; and (ii) the BLUM Cash Contribution will be increased by $17,200 (and there shall be a corresponding increase in the number of shares of Holding Class B Common Stock issued to BLUM).

Each of the parties hereto agrees that a portion of the BLUM Stock Contribution may be made by Blum Strategic Partners II, L.P.

Each of the parties hereto agrees that the Securityholders Agreement will be in the form of Annex II hereto.

This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts executed and to be performed entirely within that state.

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

CBRE HOLDING, INC.

By:

Name: Claus J. Moller
Title: President

BLUM CB CORP.

By:

Name: Claus J. Moller
Title: President

RCBA STRATEGIC PARTNERS, L.P.

By: RCBA GP, L.L.C., its general partner

By:

Name: Claus J. Moller
Title: Member

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:

THE KOLL HOLDING COMPANY

By:

Frederic V. Malek

Raymond E. Wirta

W. Brett White

Donald M. Koll