

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

In re ARDEN REALTY, INC.  
SHAREHOLDER LITIGATION

This Document Relates To:  
ALL ACTIONS.

Lead Case No. BC 345065  
CLASS ACTION

DEPT: 308  
DATE ACTION FILED: 12/23/05

NOTICE OF SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO OWNED ARDEN REALTY, INC. (“ARDEN” OR THE “COMPANY”) COMMON STOCK AT ANY TIME DURING THE PERIOD FROM DECEMBER 22, 2005, THROUGH AND INCLUDING THE CONSUMMATION OF THE ACQUISITION OF ARDEN BY GENERAL ELECTRIC CAPITAL CORPORATION (“GECC”) ON MAY 2, 2006

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION.

This Notice has been sent to you pursuant to an Order of the Los Angeles County Superior Court (the “Court”). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement and this class action litigation.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Action or the fairness or adequacy of the proposed settlement.

**I. THE LITIGATION**

On December 22, 2005, Arden Realty, Inc. entered into an Agreement and Plan of Merger dated December 21, 2005 and filed with the Securities & Exchange Commission (“SEC”) (“Merger Agreement”) with General Electric Capital Corporation whereby GECC agreed to acquire all of the outstanding shares of Arden for \$45.25 per share in cash (the “Acquisition”).

On and after December 23, 2005, the following complaints were filed in the Superior Court of California for Los Angeles County on behalf of holders of Arden common stock, and naming as defendants Arden and the members of its Board of Directors.

**Case Name and Number**

**Date Filed**

*Charter Township of Clinton Police and Fire Retirement System v. Arden Realty, Inc., et al.*,  
Case No. BC 345065

December 23, 2005

*Dwyer v. Arden Realty, Inc., et al.*,  
Case No. BC 345468

January 4, 2006

The *Charter Township* action and the *Dwyer* action are collectively referred to as the “Action.”

The Action seeks relief based on the allegations that the manner in which the Acquisition was negotiated and the terms thereof constitute a breach of fiduciary duties owed to the Class by Defendants.

Plaintiffs and their Counsel conducted extensive investigation and discovery regarding their claims for injunctive and declaratory relief, including the review of thousands of pages of documents produced by Arden on an expedited basis. Plaintiffs also engaged in substantial arm's-length negotiations with Defendants regarding a possible resolution of the Action. As a result of these negotiations, the parties entered into an agreement-in-principle to resolve the Action. Thereafter, the parties executed a Memorandum of Understanding ("MOU").

The Settlement set forth herein reflects the results of the parties' negotiations and the terms of the MOU. An agreement-in-principle was only reached after arm's-length negotiations between the parties who were all represented by counsel with extensive experience and expertise in shareholder class action litigation. During the negotiations, all parties had a clear view of the strengths and weaknesses of their respective claims and defenses. Plaintiffs and their Counsel have concluded that the additional disclosures provide Arden shareholders with information sufficient to cast an informed vote on the Acquisition and that the Settlement is in the best interest of the Settlement Class.

## **II. TERMS OF THE PROPOSED SETTLEMENT**

1. As a direct result of the prosecution of the Action and the extensive ongoing negotiations between the Settling Parties, a proposed settlement has been reached under the following terms:

(a) Arden has made all required disclosures concerning the Acquisition by filing the Definitive Merger Proxy and the Form 8-K with the SEC on or about April 24, 2006. The following additional disclosures were made in the Form 8-K:

(i) Additional information regarding Arden's projections of its anticipated future operating performance for the four fiscal years ending 2006-2009;

(ii) Additional information regarding the selection and engagement of Lehman Brothers, Inc., Wachovia Capital Markets, LLC and Secured Capital Corp. as Arden's financial advisors in connection with the investigation of potential transactions;

(iii) Additional information regarding Wachovia's past and current financial services provided to Arden and GECC and Wachovia's potential conflicts of interest;

(iv) Additional information regarding the discounted dividend analysis used by Wachovia to determine the value of Arden common stock;

(v) Additional information regarding the selection of Houlihan Lokey Howard & Zukin as financial advisors to the Board of Directors;

(vi) Additional information regarding the fairness opinion and the financial analysis performed by Houlihan Lokey; and

(vii) Additional information regarding the background of the Merger Agreement.

(b) Arden and GECC also agreed to amend the Merger Agreement in the following respects:

(i) Clause (A) of Section 8.04(a)(ii) was deleted and replaced with "(A) the Company Board determines in good faith (after having obtained sufficient preliminary information upon which to make such determination), that failure to do so could be inconsistent with the duties of the directors of the Company to the Company or its stockholders under applicable law," thus easing the restrictions on the Company's Board to distribute non-public information about Arden and to engage in negotiations with a Person who has submitted a proposed transaction for the Company;

(ii) The Termination Fee, as defined in Section 10.03(b)(i), payable to GECC under certain circumstances was reduced from \$100 million to \$80 million; and

(iii) All references in Section 8.04 regarding the time frames for GECC to act on a Superior Proposal under certain circumstances were reduced from seventy-two (72) hours to forty-eight (48) hours.

(c) Defendants shall be solely responsible for providing and paying for reasonable notice to the Settlement Class, as approved by the Court.

2. Defendants acknowledge that the decision to file the Form 8-K and make the additional disclosures and the agreement to modify the Merger Agreement was the direct result of the prosecution and settlement of the Action.

3. Arden has also agreed, subject to the terms of paragraphs 5.1 and 5.2 of the Stipulation of Settlement dated as of May 1, 2006 (the "Stipulation"), to pay Plaintiffs' Counsel \$985,000 for their attorneys' fees and expenses, subject to Court approval.

4. The Settling Parties agree, for purposes of this Settlement only, to the certification of a Settlement Class under §382 of the California Code of Civil Procedure.

### **III. REASONS FOR THE SETTLEMENT**

The Plaintiffs believe that the claims asserted in the Action have merit. However, Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and through appeals. Counsel for the Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially in a complex action such as this Action, as well as the difficulties and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible defenses to the claims asserted in the Action. Plaintiffs' Counsel believe that the Settlement set forth in the Stipulation confers substantial benefits upon the Settlement Class. Based on their evaluation, Plaintiffs' Counsel have determined that the Settlement set forth in the Stipulation is in the best interests of the Plaintiffs and the Settlement Class.

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs in the Action. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them as alleged in the complaints and the Action, and specifically deny that the proxy materials filed by Arden in connection with the Acquisition, was incomplete or in any way misleading, or that any additional disclosure was required under SEC rules or any applicable legal principle. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Plaintiffs or the Settlement Class have suffered damage or that the Plaintiffs or the Settlement Class were harmed by the conduct alleged in the complaints and the Action.

Nonetheless, the Defendants have concluded that further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation.

### **IV. NOTICE OF HEARING ON PROPOSED SETTLEMENT**

A settlement hearing will be held on December 8, 2006, at 2:30 p.m., before the Honorable Emilie H. Elias, Superior Court Judge, at the Los Angeles County Superior Court, 600 South Commonwealth Avenue, Los Angeles, California (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (a) whether the settlement should be approved as fair, reasonable and adequate; and (b) whether the Judgment should be entered. The Court may adjourn or continue the Settlement Hearing without further notice of any kind.

### **V. DEFINITIONS USED IN THIS NOTICE**

1. "Acquisition" means the Agreement and Plan of Merger dated December 21, 2005 and all amendments thereto among Arden and GECC whereby GECC agreed to acquire all of the outstanding shares of Arden for \$45.25 per share.

2. “Arden” means Arden Realty, Inc. and any of its predecessors, successors, parents, subsidiaries, divisions or affiliates.
3. “Defendants” means Arden, Richard S. Ziman, Victor J. Coleman, Alan I. Rothenberg, Leslie E. Bider, Larry S. Flax, Carl D. Covitz and Steven C. Good.
4. “Effective Date” means the first date by which all of the events and conditions specified in paragraph 6.1 of the Stipulation have been met and have occurred.
5. “Final” means: (i) the date of final affirmance on an appeal of the Judgment, the expiration of the time for a petition for or a denial of a writ of certiorari to review the Judgment and, if certiorari is granted, the date of final affirmance of the Judgment following review pursuant to that grant; or (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court's Judgment approving the Stipulation.
6. “GECC” means General Electric Capital Corporation and any of its predecessors, successors, parents, subsidiaries, divisions or affiliates.
7. “Individual Defendants” means Richard S. Ziman, Victor J. Coleman, Alan I. Rothenberg, Leslie E. Bider, Larry S. Flax, Carl D. Covitz and Steven C. Good.
8. “Judgment” means the judgment to be rendered by the Court.
9. “Person” means an individual, corporation, partnership, limited partnership, limited liability company or partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.
10. “Plaintiffs” means Charter Township of Clinton Police and Fire Retirement System and Barbara F. Dwyer.
11. “Plaintiffs’ Counsel” means any counsel who has appeared for the Plaintiffs in the Action.
12. “Plaintiffs’ Settlement Counsel” means Lerach Coughlin Stoia Geller Rudman & Robbins LLP, Darren J. Robbins, Jeffrey D. Light, Stephen J. Oddo, 655 West Broadway, Suite 1900, San Diego, California 92101.
13. “Related Parties” shall collectively mean Defendants’ and GECC’s respective families, parent entities, associates, affiliates or subsidiaries, and each and all of their respective past, present or future officers, directors, stockholders, agents, representatives, employees, attorneys, financial or investment advisors, advisors, consultants, accountants, investment bankers, commercial bankers, trustees, engineers, agents, insurers, co-insurers and reinsurers, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, members, heirs, executors, personal or legal representatives, estates, administrators, predecessors, successors and assigns.
14. “Released Claims” shall collectively mean all claims, demands, rights, actions or causes of action, rights, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, matured or unmatured, that have been, could have been, or in the future can or might be asserted in the Action or in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal or state statutory, blue sky or common law relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws or otherwise) by or on behalf of any Member of the Settlement Class in his, her or its role or capacity as a shareholder or a holder of any other interest (including without limitation options) in Arden shares (whether individual, class, derivative, representative, legal, equitable or any other type or in any other capacity), against the Released Persons, whether or not any Released Persons were named, served with process or appeared in the Action, which has arisen, could have arisen, could arise now or could hereafter arise out of, or relate in any manner to the allegations, facts, events, transactions, matters, acts,

occurrences, statements, representations, misrepresentations, omissions, or any other matter, thing or cause whatsoever, or any series thereof, embraced, involved or set forth in, or referred to or otherwise related to: (i) the Acquisition, or any amendment thereto; (ii) the fiduciary or other obligations of any of the Defendants or Released Persons in connection with the Acquisition, or any amendment thereto, including without limitation any decision not to pursue or engage in other transactions in lieu of the Acquisition; (iii) the negotiations in connection with the Acquisition, or any amendment thereto; and (iv) the disclosure obligations of any of the Released Persons in connection with the Acquisition, or any amendment thereto. Released Claims shall not include any claims of the Plaintiffs or any Member of the Settlement Class to enforce, construe or administer the terms of the Stipulation.

15. “Released Persons” means each and all of the Defendants and their Related Parties.

16. “Settlement Class” means all Persons who owned Arden common stock at any time during the period from December 22, 2005 through and including the date of the closing of the Acquisition on May 2, 2006, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them (the “Class”). Excluded from the Class are Defendants, members of the immediate family of any Individual Defendant, any entity which a Defendant has or had a controlling interest, officers of Arden and the legal representatives, heirs, successors or assigns of any such excluded person. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class.

17. “Settlement Class Member” or “Member of the Settlement Class” mean a Person who falls within the definition of the Settlement Class as set forth above.

18. “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs on behalf of themselves and the Members of the Settlement Class.

19. “Unknown Claims” means any claim, cause of action, damage or harm which the Plaintiffs and/or Settlement Class Members do not know or suspect to exist at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs shall expressly, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Upon the Effective Date, the Plaintiffs and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, any federal law or regulation, or any principle of common law or international or foreign law, which is similar, comparable or equivalent to California Civil Code § 1542. The Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Plaintiffs shall expressly have and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and

the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a material element of the settlement of which this release is a part.

## **VI. ORDER CERTIFYING A CLASS FOR PURPOSES OF SETTLEMENT**

On October 11, 2006, the Court certified the Settlement Class for purposes of settlement as defined above.

## **VII. DISMISSAL AND RELEASES**

If the proposed settlement is approved, the Court will enter a Final Judgment (the "Judgment"). The Judgment will release the Released Claims as to the Defendants and their Related Parties.

The Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Persons, and will be barred from asserting any of the Released Claims in the future, unless the Settlement is canceled or terminated pursuant to the terms of the Stipulation.

## **VIII. CONDITIONS FOR SETTLEMENT**

The Settlement is conditioned upon the occurrence of certain events. Those events include, among other things: (1) completion of confirmatory document and interview or deposition discovery by Plaintiffs' Counsel; (2) entry of the Judgment by the Court, as provided for in the Stipulation; and (3) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions prior to the Settlement.

## **IX. THE RIGHT TO BE HEARD AT THE HEARING**

Any Settlement Class Member may, but is not required to, enter an appearance in the Action and be represented by counsel of his, her or its choice and at his, her or its expense. Any Settlement Class Member who does not enter an appearance will be represented by the attorneys for the Plaintiffs listed below. Any Settlement Class Member who objects to any aspect of the Settlement may appear and be heard at the Settlement Hearing. Any such Person must submit a written notice of objection, mailed or hand delivered such that it is *received* on or before November 27, 2006, by each of the following:

CLERK OF THE COURT  
LOS ANGELES COUNTY SUPERIOR COURT  
600 South Commonwealth Avenue, Room 314  
Los Angeles, CA 90005

LERACH COUGHLIN STOIA  
GELLER RUDMAN & ROBBINS LLP  
JEFFREY D. LIGHT  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
Counsel for Plaintiffs

LATHAM & WATKINS LLP  
MICHELE F. KYROUZ  
505 Montgomery Street  
Suite 2000  
San Francisco, CA 94111

MUNGER, TOLLES &  
OLSON LLP  
JOSEPH D. LEE  
335 South Grand Ave., 35<sup>th</sup> Floor  
Los Angeles, CA 90071

Attorneys for Defendants

The notice of objection must demonstrate the objecting Person's membership in the Settlement Class, and contain a statement of the reasons for objection. Only Members of the Settlement Class who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

**X. EXCLUSION FROM THE SETTLEMENT CLASS**

You may request to be excluded from the Settlement Class. To do so, you must mail a written request to the counsel for the parties listed above. The Request for Exclusion must state: (1) your name, address and telephone number; (2) the number of shares of Arden common stock owned at any time between December 22, 2005, through and including the consummation of the Acquisition on May 2, 2006; and (3) that you wish to be excluded from the Settlement Class. **TO BE VALID, A REQUEST FOR EXCLUSION MUST STATE ALL OF THE FOREGOING INFORMATION. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE NOVEMBER 27, 2006.** If you submit a valid and timely Request for Exclusion, you will have no rights under the Settlement, and shall not be bound by the Stipulation or the Judgment.

**XI. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP  
ON BEHALF OF OTHERS**

Nominees who held Arden common stock at any time between December 22, 2005, through and including the consummation of the Acquisition on May 2, 2006 for the beneficial ownership of another shall mail this Notice to all such beneficial owners of such stock within ten (10) days after receipt thereof. Additional copies of this Notice for transmittal to beneficial owners are available on written request directed to one of the counsel for the parties listed above or the Settlement Administrator listed below, or can be downloaded at [www.completeclaimssolutions.com/arden/](http://www.completeclaimssolutions.com/arden/).

**XII. EXAMINATION OF PAPERS**

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, Los Angeles County Superior Court, 600 South Commonwealth Avenue, Room 314, Los Angeles, CA 90005.

For further information regarding this Settlement you may contact: Lerach Coughlin Stoia Geller Rudman & Robbins LLP, c/o Shareholder Relations, 655 West Broadway, Suite 1900, San Diego, California 92101, Telephone: (619) 231-1058 or write to the Settlement Administrator at: Arden Realty, Inc. Shareholder Litigation, c/o Complete Claim Solutions, LLC, P.O. Box 24666, West Palm Beach, FL 33416; or visit the website: [www.completeclaimssolutions.com/arden/](http://www.completeclaimssolutions.com/arden/).

**DO NOT TELEPHONE THE COURT, THE CLERK'S OFFICE, OR DEFENSE COUNSEL  
REGARDING THIS NOTICE.**

DATED: October 11, 2006

BY ORDER OF THE COURT  
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

Arden Realty, Inc. Shareholder Litigation  
c/o Complete Claim Solutions, LLC  
P.O. Box 24666  
West Palm Beach, FL 33416

**IMPORTANT COURT DOCUMENTS**