

Douglas Emmett Inc
Form DEF 14A
April 28, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to § 240.14a-12

Douglas Emmett, Inc.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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- (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

DOUGLAS EMMETT, INC.

808 Wilshire Blvd., Suite 200, Santa Monica, California 90401

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Thursday, May 26, 2011

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (our "Annual Meeting") of Douglas Emmett, Inc. will be held at the Sheraton Delfina, located at 530 Pico Boulevard, Santa Monica, California 90405 on May 26, 2011 at 9:00 a.m. local time for the following purposes as more fully described in the accompanying Proxy Statement:

1. To elect directors to serve on the Board of Directors until the 2012 annual meeting of stockholders.
2. To approve, in a non-binding advisory vote, our executive compensation.
3. To express preferences, in a non-binding advisory vote, on the frequency of future stockholder advisory votes to approve executive compensation.
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.
5. To transact such other business as may properly come before our Annual Meeting or any adjournment thereof.

Our Board of Directors has fixed the close of business on April 1, 2011 as the record date for determining the stockholders entitled to notice of and to vote at our Annual Meeting, or at any adjournment thereof. Only stockholders at the close of business on the record date are entitled to vote at our Annual Meeting.

Accompanying this Notice are a Proxy Card and a Proxy Statement. If you will not be able to attend our Annual Meeting and vote your shares of Common Stock in person, please mark, sign, date and promptly return the enclosed Proxy Card in the postage-paid envelope. If your shares of Common Stock are held by a bank, broker or other nominee, please follow the instructions you receive from your bank, broker or other nominee to have your shares of Common Stock voted.

The proxy may be revoked at any time prior to its exercise at our Annual Meeting.

By Order of the Board of Directors,

/s/ Jordan L. Kaplan
Jordan L. Kaplan
President and Chief Executive Officer

April 28, 2011

Important Notice Regarding the Availability of Proxy Materials for
the Stockholder Meeting To Be Held on May 26, 2011.
This proxy statement and our 2010 annual report to stockholders
are available at <http://www.douglasemmett.com/proxy>.

DOUGLAS EMMETT, INC.
808 Wilshire Blvd., Suite 200, Santa Monica, California 90401

PROXY STATEMENT

Annual Meeting of Stockholders

This Proxy Statement is furnished to the stockholders of Douglas Emmett, Inc., a Maryland corporation, in connection with the solicitation of proxies on behalf of our Board of Directors (our “Board”). The proxies solicited hereby are to be voted at the Annual Meeting of Stockholders to be held at the Sheraton Delfina, located at 530 Pico Boulevard, Santa Monica, California 90405 on May 26, 2011 at 9:00 a.m. local time and at any and all adjournments thereof (our “Annual Meeting”).

At our Annual Meeting, stockholders will be asked to consider and vote upon the following proposals:

1. To elect directors to serve on the Board of Directors until the 2012 annual meeting of stockholders.
2. To approve, in a non-binding advisory vote, our executive compensation.
3. To express preferences, in a non-binding advisory vote, on the frequency of future stockholder advisory votes to approve executive compensation.
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.
5. To transact such other business as may properly come before our Annual Meeting.

We have enclosed a form of proxy (Proxy Card) for your use. The shares represented by each properly executed unrevoked proxy will be voted as directed by the stockholder executing the proxy. Unless a proxy directs otherwise, the shares represented by each properly executed unrevoked proxy will be voted in accordance with the recommendations of our Board, as specified in each separate proposal below. With respect to any other item of business that may come before our Annual Meeting, the proxy holders will vote the proxy in accordance with their best judgment.

If you are a stockholder of record and will not be able to attend our Annual Meeting and vote your shares of Common Stock in person, please mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope. If your shares of Common Stock are held by a bank, broker or other nominee, please follow the instructions you receive from your bank, broker or other nominee to have your shares of Common Stock voted. If your shares are held by a broker, the broker will ask you how you want your shares to be voted. If you give the broker instructions, then your shares will be voted as you direct. If you do not give instructions, then for the ratification of the independent registered public accounting firm, the broker may vote your shares in its discretion, but for the other matters on the ballot, the broker may not vote your shares at all.

Any proxy given may be revoked at any time prior to its exercise by filing, with our Secretary, an instrument revoking such proxy or by the filing of a duly executed proxy bearing a later date. Any stockholder of record present at the meeting who has given a proxy may withdraw it and vote his or her shares in person if such stockholder so desires.

This Proxy Statement and the accompanying form of proxy are first being mailed to stockholders on or about April 28, 2011. We intend to solicit proxies primarily by mail. However, directors, officers, agents and employees may communicate with stockholders, banks, brokerage houses and others by telephone, e-mail, in person or otherwise to solicit proxies. Additionally, we intend to post this Proxy Statement and our 2010 Annual Report on our website for

public review and on the website address set forth on the Notice accompanying this Proxy Statement. We have no present plans to hire special employees or paid solicitors to assist in obtaining proxies, but reserve the option to do so. All expenses incurred in connection with this solicitation will be borne by us. We request that brokerage houses, nominees, custodians, fiduciaries and other similar parties forward the soliciting materials to the underlying beneficial owners of our Common Stock. We will reimburse reasonable charges and expenses incurred in doing so.

VOTING SECURITIES AND PRINCIPAL STOCKHOLDERS

Outstanding Shares; Record Date; and Quorum

Only holders of record of our Common Stock at the close of business on April 1, 2011 (the "Record Date") are entitled to notice of and to vote at our Annual Meeting and any adjournments thereof. As of the Record Date, 124,300,383 shares of our Common Stock were issued and outstanding. Holders are entitled to one vote at our Annual Meeting for each share of our Common Stock held that was issued and outstanding as of the Record Date.

The presence, in person or by proxy, of stockholders holding at least a majority of our outstanding Common Stock will constitute a quorum for the transaction of business at our Annual Meeting.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth the beneficial ownership of our Common Stock as of April 1, 2011, by (i) each person or entity known by us to own beneficially more than 5% of our outstanding Common Stock (based upon review of Schedule 13D and Schedule 13G filings as of April 1, 2011), (ii) each of our directors, (iii) each of our named executive officers (as defined below) and (iv) all of our directors and executive officers as a group. Except as otherwise noted, the persons or entities named have sole voting and investment power with respect to all shares shown as beneficially owned by them, and the address of each of these individuals is c/o Douglas Emmett, Inc., 808 Wilshire Blvd., Suite 200, Santa Monica, California 90401.

Name and Address of Owner(2)	Common Stock (1)	
	Number of Shares	Percent of Class
Dan A. Emmett(3)	17,382,484	12.6 %
Jordan L. Kaplan	13,151,859	9.8
Kenneth M. Panzer	11,728,944	8.7
Leslie E. Bider	167,497	*
Ghebre Selassie Mehreteab	15,930	*
Thomas E. O'Hern	37,497	*
Dr. Andrea Rich	29,997	*
William Wilson III	114,214	*
William Kamer	929,470	*
Theodore E. Guth	0	*
Christopher H. Anderson(4) P.O. Box 801, Carpinteria, CA 93014	7,284,247	5.7
The Vanguard Group, Inc. (5) 100 Vanguard Place, Malvern, PA 19355	11,126,088	9.0
Stichting Pensioenfond ABP (6) Oude Lindestraat 70, Postbus 2889, 6401 DL Heerlen, The Kingdom of the Netherlands	8,117,326	6.5
Cohen & Steers, Inc. (7) 280 Park Avenue, 10th Floor, New York, NY 10017	7,313,576	5.9
BlackRock, Inc. (8) 40 East 52nd Street, New York, NY 10022	7,362,731	5.9
APG Asset Management US Inc. (9) 666 Third Avenue, New York, NY 10017	8,117,326	6.5
LaSalle Investment Management (Securities), L.P.(10) 200 East Randolph Drive, Chicago, IL 60601	6,760,860	5.4

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All officers and directors as a group (10 persons)	43,557,892	27.4 %
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*Less than 1%

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- (1) Pursuant to Item 403 of Regulation S-K, the number of shares listed for each individual reflects their beneficial ownership. For purposes of this table, a person or group of persons is deemed to have “beneficial ownership” of any shares that such person or group has the right to acquire within 60 days after April 1, 2011 as follows:

Name	Options	OP Units	LTIP Units
Dan A. Emmett	255,511	13,058,050	1,666
Jordan L. Kaplan	4,916,622	5,411,443	50,226
Kenneth M. Panzer	4,916,622	4,838,528	50,226
Leslie E. Bider	0	17,497	0
Ghebre Selassie Mehreteab	0	10,930	0
Thomas E. O’Hern	0	0	0
Dr. Andrea L. Rich	0	17,497	0
William Wilson III	0	14,214	0
William Kamer	840,082	12,041	34,682
Theodore E. Guth	0	0	0
Christopher H. Anderson	0	4,388,174	0
All directors and executive officers as a group	10,928,837	23,380,200	136,800

These shares are deemed to be outstanding for purposes of computing the percentage of outstanding shares held by each person or group on that date, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. “OP Units” refers to limited partnership interests of Douglas Emmett Properties, LP, our operating partnership, of which we are the general partner, and which are redeemable by the holder for an equivalent number of shares of our Common Stock or for the cash value of such shares, at our election. “LTIP units” are long-term incentive plan units, which are a form of stock-based compensation granted under our 2006 Omnibus Stock Incentive Plan. LTIP units are included in the table once they are redeemable (or will become redeemable within 60 days) by the holder for an equivalent number of shares of our Common Stock or for the cash value of such shares, at our election.

- (2) Mr. Emmett is our Chairman of the Board of Directors, Mr. Kaplan is our Chief Executive Officer and President and a Director, Mr. Panzer is our Chief Operating Officer and a Director, Mr. Kamer is our Chief Financial Officer and Mr. Guth is our Executive Vice President. Messrs. Bider, Mehreteab, O’Hern and Wilson and Dr. Rich are members of our Board. The address of each of these persons is 808 Wilshire Blvd, Suite 200, Santa Monica, California 90401.
- (3) Mr. Emmett disclaims beneficial ownership of (i) 28,750 shares of Common Stock owned by the Emmett Foundation, a California tax-exempt charitable organization, of which Mr. Emmett is the president, (ii) 88,000 shares of Common Stock owned by certain trusts for Mr. Emmett’s children of which Mr. Emmett is a trustee, (iii) except to the extent of his pecuniary interest therein, 40,000 shares of Common Stock owned by Rivermouth Partners, a California limited partnership (“Rivermouth”), (iv) 382,425 OP Units owned by trusts for Mr. Emmett’s spouse and children, and (v) except to the extent of his pecuniary interest therein, 2,817,288 OP Units owned by Rivermouth.
- (4) Based solely on information disclosed in the Schedule 13G filed by Mr. Anderson on June 8, 2009.

- (5) Based on information disclosed in the Schedule 13G/A filed on February 10, 2011 by The Vanguard Group, Inc. ("Vanguard"). Of such shares, Vanguard has sole dispositive power with respect to 11,044,082 shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard, is the beneficial owner of and has sole voting power over an additional 82,006 shares as a result of its serving as investment manager of collective trust accounts.
- (6) Based on information disclosed in the Schedule 13G filed on February 14, 2011 by Stichting Pensioenfonds ABP ("Stichting"). Stichting has sole dispositive power with respect to all of the disclosed shares.
- (7) Based on information disclosed in the Schedule 13G filed jointly on February 14, 2011 by Cohen & Steers, Inc. ("C&S"), Cohen & Steers Capital Management, Inc. ("C&S Capital"), and Cohen & Steers Europe S.A. ("C&S Europe"). C&S has sole voting power with respect to 6,800,677 shares and sole dispositive power with respect to 7,313,576 shares, C&S Capital has sole voting power with respect to 6,783,268 shares and sole dispositive power with respect to 7,202,080 shares, and C&S Europe has sole voting power with respect to 17,409 shares and sole dispositive power with respect to 111,496 shares.
- (8) Based on information disclosed in the Schedule 13G filed on February 4, 2011 by BlackRock, Inc. ("Blackrock"). Blackrock has sole dispositive power with respect to all of the disclosed shares.
- (9) Based on information disclosed in the Schedule 13G filed jointly on February 14, 2011 by APG Asset Management US Inc. ("APG"), APG Group ("APG Group"), and APG All Pension Group ("APG Pension"). Each of APG, APG Group and APG Pension has sole voting and dispositive power over such shares.
- (10) Based on information disclosed in the Schedule 13G filed jointly on February 11, 2011 by LaSalle Investment Management, Inc. ("LSIM") and LaSalle Investment Management (Securities), L.P. ("LSIMS"), each an investment adviser. The amount shown in the table above excludes 563,991 shares held by LSIM, as this is less than 5% of our outstanding Common Stock. LSIM has dispositive power with respect to the 563,991 shares, but does not have either sole or shared voting power with respect to the 563,991 shares. LSIMS has sole voting power with respect to 1,479,351 shares and sole dispositive power with respect to 6,760,860 shares.

ELECTION OF DIRECTORS

(Proposal 1)

Information Concerning Nominees

Our Board has eight members, all of whose terms expire at our Annual Meeting and who are nominated for re-election to a term that will expire at our 2012 annual meeting of stockholders. Each of our Board members was nominated based on the assessment of our Nominating and Corporate Governance Committee (our “Governance Committee”) and our Board that the nominees have demonstrated an ability to make meaningful contributions to the oversight of our business and affairs, have a reputation for honesty and ethical conduct in their personal and professional activities and share independence, experience and strong communication and analytical skills. Our Board seeks, and consists of, persons whose diversity of skills, experience and background are complementary to those of our other Board members.

Name	Age	Title
Dan A. Emmett	71	Chairman of our Board of Directors
Jordan L. Kaplan	50	Director, Chief Executive Officer and President
Kenneth M. Panzer	51	Director and Chief Operating Officer
Leslie E. Bider(1)(5)	60	Director
Ghebre Selassie Mehreteab(5)(6)	61	Director
Thomas E. O’Hern (2)(4)	55	Director
Dr. Andrea Rich(3)(4)	67	Director
William Wilson III(6)	74	Director

- (1) Chairman of our Compensation Committee.
- (2) Chairman of our Audit Committee.
- (3) Chairman of our Governance Committee.
- (4) Member of our Compensation Committee.
- (5) Member of our Audit Committee.
- (6) Member of our Governance Committee.

Dan A. Emmett. Mr. Emmett has served as the Chairman of our Board since our inception. In 1971, Mr. Emmett co-founded our original predecessor and our immediate predecessor in 1991. Mr. Emmett received his bachelor’s degree from Stanford University in 1961 and his J.D. from Harvard University in 1964. Mr. Emmett was nominated as a result of his position as Chief Executive Officer of our predecessor entities and his extensive knowledge of our operations and our market.

Jordan L. Kaplan. Mr. Kaplan has served as our Chief Executive Officer and President and a member of our Board since our inception. Mr. Kaplan joined our predecessor operating companies in 1986, co-founded our immediate predecessor in 1991 and served as the Chief Financial Officer for our predecessor operating companies from 1991 to 2006. Mr. Kaplan received his bachelor’s degree from the University of California, Santa Barbara in 1983 and his M.B.A. from the University of California, Los Angeles in 1986. Mr. Kaplan was nominated as a result of his position as our Chief Executive Officer and his extensive knowledge of our operations and our market.

Kenneth M. Panzer. Mr. Panzer has served as our Chief Operating Officer and a member of our Board since 2006. Mr. Panzer joined our predecessor operating companies in 1984, co-founded our immediate predecessor in 1991 and served as the Chief Operating Officer of our predecessor operating companies from 1991 to 2006. Mr. Panzer received his bachelor's degree from Penn State University in 1982. Mr. Panzer was nominated as a result of his position as our Chief Operating Officer and his extensive knowledge of our operations and our market.

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Leslie E. Bider. Mr. Bider has served as a member of our Board since 2006. Since June 2008, he has been the Chief Executive Officer of PinnacleCare, a Private Health Advisory firm. From 2007 to 2008, he was the Chief Strategist at ITU Ventures, a Los Angeles based Venture Capital firm. From 2005 to 2007 Mr. Bider served as an executive in residence at Elevation Partners. Mr. Bider was the Chairman/Chief Executive Officer of Warner Chappell Music, Inc., one of the world's largest music publishing companies, from 1987 to 2005. Prior to that, Mr. Bider served as Chief Financial Officer and Chief Operating Officer of Warner Bros. Music, and was a principal in an accounting firm specializing in the entertainment industry. Mr. Bider is currently a member of the board of directors of California Pizza Kitchen. Mr. Bider holds a bachelor's degree in accounting from University of Southern California and an M.S. from the Wharton School. Mr. Bider was nominated based on the entirety of his experience and skills, although the Governance Committee and Board specifically noted his experience in real estate, including his prior service as a director at a large commercial real estate firm, his knowledge of financial and accounting matters and his operating experience in several industries.

Ghebre Selassie Mehreteab. Mr. Mehreteab has served as a member of our Board since 2006. Mr. Mehreteab is an advisor to foundations and financial institutions on affordable housing. Mr. Mehreteab served as Chief Executive Officer of the NHP Foundation, a non-profit corporation that owns and operates affordable multifamily housing in many cities across the United States, from its inception in 1989 until 2009. Previously Mr. Mehreteab was Vice President of the National Corporation for Housing Partnerships and a program officer at the Ford Foundation. Mr. Mehreteab is a board member of the Council on Foreign Relations. Mr. Mehreteab received his bachelor's degree and LL.D. (honorary) from Haverford College. Mr. Mehreteab was nominated based on the entirety of his experience and skills, although the Governance Committee and Board specifically noted his experience in real estate.

Thomas E. O'Hern. Mr. O'Hern has served as a member of our Board since 2006. Mr. O'Hern is Senior Executive Vice President, Chief Financial Officer and Treasurer of Macerich Company, a REIT specializing in retail real estate. Prior to joining Macerich in 1993, Mr. O'Hern served as Chief Financial Officer of several commercial real estate companies. Mr. O'Hern worked as a Certified Public Accountant for Arthur Andersen & Co. from 1978 through 1984. Mr. O'Hern is a board member of several educational and philanthropic organizations. Mr. O'Hern holds a bachelor's degree from California Polytechnic University, San Luis Obispo. Mr. O'Hern was nominated based on the entirety of his experience and skills, although the Governance Committee and Board specifically noted his experience in real estate, including his service as an executive at other large commercial real estate firms, and his knowledge of financial and accounting matters.

Dr. Andrea L. Rich. Dr. Rich has served as a member of our Board since 2006. Dr. Rich retired from the Los Angeles County Museum of Art in 2005 after ten years as President and Chief Executive Officer. During the second half of her career at the Museum, she also served as the Wallis Annenberg Director. Prior to her tenure at the Los Angeles County Museum of Art, Dr. Rich had a long academic and administrative career at UCLA, culminating in her service as Executive Vice Chancellor and Chief Operating Officer from 1991 to 1995. Dr. Rich serves as a director of Mattel Inc. and The Private Bank of California. Dr. Rich earned her bachelor's degree, master's degree and Ph.D. from UCLA. Dr. Rich was nominated based on the entirety of her experience and skills, although the Governance Committee and Board specifically noted her experience in administration and as a director of public companies in areas outside of real estate.

William Wilson III. Mr. Wilson has served as a member of our Board since 2006. Mr. Wilson is currently Advisor to Wilson Meany Sullivan, LLC, a real estate investment, development and management firm in San Francisco. Mr. Wilson was founder of William Wilson and Associates, which merged with Cornerstone Properties, Inc., a public REIT specializing in office properties. Mr. Wilson served as Chairman of Cornerstone until it was acquired by Equity Office Properties Trust in 2000 and served on the board of directors of Equity Office Properties until 2004. Mr. Wilson is active in numerous civic organizations including service on the boards of the California Academy of Science, Lawrenceville School and the Presidio Trust. Mr. Wilson earned his bachelor's degree in engineering from Stanford University. Mr. Wilson was nominated based on the entirety of his experience and skills, although the

Governance Committee and Board noted specifically his experience in real estate, including his service as an executive and board member at other large real estate firms, and his operating experience.

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Required Vote

Nominees will be elected as directors by a plurality of the votes cast (assuming a quorum is present). The shares represented by each properly executed unrevoked proxy will be voted FOR the election of all of the nominees, unless the proxy otherwise directs. Abstentions and broker non-votes will have no effect on the outcome of this proposal. All of the nominees have indicated a willingness to serve as directors, but if any of them should decline or be unable to act as a director, the proxy holders will vote for the election of another person or persons as our Board recommends.

Board Recommendation

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR EACH OF THE ABOVE-NAMED NOMINEES.

NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

(Proposal 2)

We are seeking an advisory vote from our stockholders to approve our named executive officer compensation, as required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This proposal (sometimes referred to as "say on pay") allows our stockholders the opportunity to express their views on the compensation of our named executive officers.

As described in detail under the heading "Executive Compensation — Compensation Discussion and Analysis," our executive compensation structure is designed to attract and retain well-qualified executive officers, which is crucial to our success, and we believe our compensation practices encourage and motivate these individuals to achieve superior performance on both a short-term and long-term basis. We designed our total compensation to reflect the value created for stockholders while supporting our strategic goals. In considering our compensation program, we believe that the following issues support our Board's recommendation that you vote to approve the compensation paid to our named executive officers:

§ We pay our executives primarily in incentive compensation, mostly in equity to align compensation with sustained stockholder returns. We have not increased the base salary for our named executive officers for three years. Our Chief Executive Officer and Chief Operating Officer agreed to a pay reduction for 2008 and 2009, which we restored in 2010.

§ We benchmark our executives against a consistent peer group of 14 companies that are selected and reviewed by our Compensation Committee and an independent compensation consultant. Our Compensation Committee did not have any comparison data with respect to 2010 for our benchmark group, which we expect will be somewhat higher than the 2009 data available to us. However, using 2009 compensation for our benchmark group provided an adequate comparison point for our 2010 decisions.

§ Although our Compensation Committee believes that our named executive officers performed well, using the methodology in the Securities and Exchange Commission (SEC) regulations, in comparison with the 2009 compensation at our benchmark group, the total compensation (including salary, cash bonus and annual equity grants) for our named executive officers in 2010 would place Mr. Kaplan somewhat below the 50th percentile of chief executive officers and Mr. Kamer somewhat below the 50th percentile of chief financial officers.

§

We provide very limited perquisites for our named executive officers, including no pension benefits beyond participation in our 401(k) plan on the same basis as our other employees.

§ The new employment agreements for our named executive officers eliminated any excise tax gross-ups for them and reduced their perquisites, without increasing their compensation. The new agreements also include a provision to claw back any overpayment of compensation following a restatement of our financial statements.

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§ Our general and administrative costs, as a percentage of our revenues, totaled 4.96% in 2010, which is one of the lowest rates in our benchmark group.

§ We have implemented a robust share ownership and retention policy, and our named executive officers and directors held over 27.4% of our equity (on an as-converted basis) on April 1, 2011. We also prohibit hedging transactions in our securities by our employees.

Please read the Section entitled "Executive Compensation," including the Compensation Discussion and Analysis, for additional details about our executive compensation programs, including information about the 2010 compensation of our named executive officers.

We will ask our stockholders to vote "FOR" the following resolution at our Annual Meeting:

“RESOLVED, that the stockholders of Douglas Emmett, Inc. hereby approve, on an advisory basis, the compensation paid to the named executive officers, as disclosed in Douglas Emmett Inc.’s Proxy Statement for the 2011 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures.”

Required Vote

As an advisory vote, the vote on this proposal is not binding upon us, our Board of Directors or our Compensation Committee. However, our Compensation Committee, which is responsible for designing and administering our executive compensation program, and our Board, value the opinions expressed by stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for named executive officers. Abstentions, broker non-votes and instructions on a proxy to withhold authority to vote this resolution will not be counted in determining the number of shares present and entitled to vote and will therefore have no effect on the outcome. Unless a proxy directs otherwise, the shares represented by each properly executed unrevoked proxy will vote "for" Proposal 2.

Board Recommendation

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR PROPOSAL 2.

NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON EXECUTIVE COMPENSATION (Proposal 3)

As required pursuant to Section 14A of the Exchange Act, we are also seeking an advisory vote from our stockholders in which you can indicate whether you would prefer that an advisory vote on the compensation of our named executive officers occur once every year, every two years or every three years.

We view the advisory vote on executive compensation as only one of the ways available to our stockholders to communicate their views on our executive compensation programs. After careful consideration, our Board recommends that you vote to hold an advisory vote on executive compensation every three years. Some of the reasons for this recommendation are:

§ Our executive compensation programs are designed to support long-term value creation. A triennial vote will allow our stockholders the context to assess the success or failure of our long-term compensation strategies and

the related business outcomes with the hindsight of three years of corporate performance.

§ A triennial vote will allow sufficient time for our Board to review the results of the vote, to engage with stockholders and others to consider alternatives and to develop and implement any appropriate changes.

§ A triennial vote will allow for any changes to our executive compensation programs to be in place long enough to permit our stockholders to be able to judge the implementation and effects of any changes.

§ A triennial vote will improve the ability of our stockholders to exercise their voting rights in a more deliberate, thoughtful and informed way, while being less burdensome than a more frequent vote.

Required Vote

The vote on Proposal 3 is advisory and not binding on us or our Board of Directors. Our Board may decide to hold an advisory vote to approve executive compensation more or less frequently than the option which receives a plurality of the stockholders. Abstentions, broker non-votes and instructions on a proxy to withhold authority to vote on this resolution will not be counted in determining the number of shares present and entitled to vote and will therefore have no effect on the outcome. Unless a proxy directs otherwise, the shares represented by each properly executed unrevoked proxy will vote “for” holding “say on pay” votes once every three years.

Regardless of the frequency with which we request an advisory vote on executive compensation, our Board encourages stockholders to contact our Board or our management to express their views on executive compensation matters through our Corporate Secretary as described under the heading “Corporate Governance – Stockholder and Interested Party Communications.”

Board Recommendation

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR HOLDING “SAY ON PAY” VOTES ONCE EVERY THREE YEARS.

RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(Proposal 4)

Our Audit Committee has approved the appointment of Ernst & Young LLP as our independent registered public accounting firm to audit our consolidated financial statements for 2011. We are seeking our stockholders’ ratification of such action. A representative of Ernst & Young LLP will be available at our Annual Meeting to respond to appropriate questions or make any other statements such representative deems appropriate.

Required Vote

Proposal 4 requires the affirmative vote of a majority of the votes cast on the proposal (assuming a quorum is present). Stockholders may vote “for” or “against” the proposal, or they may abstain from voting on the proposal. Abstentions, broker non-votes and instructions on a proxy to withhold authority to vote on this resolution will not have any effect on the outcome of this proposal. In the event the stockholders do not approve this proposal, our Audit Committee will reconsider the appointment of Ernst & Young LLP as our independent registered public accounting firm. Unless a proxy directs otherwise, the shares represented by each properly executed unrevoked proxy will vote “for” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

Board Recommendation

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE RATIFICATION OF
APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING
FIRM

EXECUTIVE OFFICERS

Name	Age	Title
Dan A. Emmett	71	Chairman of the Board of Directors
Jordan L. Kaplan	50	Chief Executive Officer and President
Kenneth M. Panzer	51	Chief Operating Officer
William Kamer	60	Chief Financial Officer
Theodore E. Guth	56	Executive Vice President

Biographical information regarding Messrs. Emmett, Kaplan and Panzer is set forth above under “Election of Directors (Proposal 1)—Information Concerning Nominees.”

William Kamer. Mr. Kamer has served as our Chief Financial Officer since 2006. From 2000 to 2006, Mr. Kamer served as Senior Vice President in the Capital Markets Division and General Counsel of our predecessor operating companies. Prior to that time, Mr. Kamer was an attorney for 22 years focusing exclusively on real estate and real estate finance matters. He was a partner at the law firm of Cox, Castle & Nicholson LLP from 1986 through 1999. Mr. Kamer received his bachelor’s degree from Vassar College in 1973, his master’s degree in city and regional planning from Harvard University in 1978, and his J.D. from Boston University in 1978.

Theodore E. Guth. Theodore E. Guth is our Executive Vice President. Prior to joining us in January 2011, Mr. Guth was a partner and held various management positions at the law firms of Manatt, Phelps & Phillips LLP (2007-2010), Guth | Christopher LLP (1997-2007) and Irell & Manella LLP. He also served as the President of Dabney/Resnick, Inc. (now Imperial Capital), an investment banking and brokerage firm specializing in distressed debt and special situations, and as a full-time professor at the UCLA School of Law. Mr. Guth is a member of the Board of Directors of Electro Rent Corporation, one of the largest global organizations devoted to the rental, leasing and sales of electronic test equipment, personal computers and servers. Mr. Guth earned a B.S. from the University of Notre Dame in 1975 and a J.D. from the Yale Law School in 1978.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines, which are available on our website at <http://www.douglasemmett.com/governance>. These guidelines were adopted by our Board to assist our Board in the exercise of its responsibilities. The guidelines describe such matters as the role of directors, the selection of new directors, Board membership criteria, independence requirements, self-evaluation by our Board and Board and committee procedural matters. Under our guidelines, our Board reviews management’s long-range planning for executive development and succession.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics, which is our code of ethics applicable to our directors, officers and employees (including our Chief Executive Officer and Chief Financial Officer), embodies our principles and practices relating to the ethical conduct of our business and our commitment to honesty, fair dealing and full compliance with laws. Our Code of Business Conduct and Ethics is available at <http://www.douglasemmett.com/governance>. If we make any amendments to this code other than technical, administrative or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of this code to our Chief Executive Officer, Chief Financial Officer or Principal Accounting Officer, we will disclose the nature of any such amendment or waiver to the code, its effective date and to whom it applies, on our website or in a report on Form 8-K filed with the Securities and

Exchange Commission ("SEC").

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Equity Ownership Guidelines

Our Board has adopted a policy to encourage our executive officers and directors to reach target equity ownership levels (through a combination of Common Stock, OP Units, and/or Long Term Incentive Plan units (“LTIP Units”)) within 5 years of their becoming subject to the policy, equal to the lesser of a multiple (based on fair market value of the equity at each year end) of annual salary/retainer at the previous year-end or a fixed share amount, as follows:

Title	Share Equivalents	Multiple of Salary/retainer
Chief Executive Officer	200,000	4x
Other executive officers	50,000	3x
Directors	7,500	2x

Director Independence

Our Board annually reviews and determines the independence of each director and nominee for election as a director in accordance with our Corporate Governance Guidelines, which incorporates all elements of the independence standards set forth in the New York Stock Exchange (“NYSE”) rules. Our director independence standards are available on our website at <http://www.douglasemmett.com/governance>. Based on these standards, our Board determined that each of Leslie E. Bider, Ghebre Selassie Mehreteab, Thomas E. O’Hern, Dr. Andrea Rich and William Wilson III is independent.

Board Leadership Structure

Our Board currently separates the role of Chairman of the Board from the role of our Chief Executive Officer. In addition, our Corporate Governance Guidelines provide that the Chairperson of our Governance Committee is responsible for chairing the meetings of our independent directors. Our Board believes that this structure combines accountability with effective oversight. This structure also gives us the continued benefits of the experience and knowledge of our Chairman, who has been overseeing our operations and those of our predecessor for 40 years, while reflecting the current responsibilities and contributions of the team of our Chief Executive Officer and Chief Operating Officer.

Board Role in Risk Oversight

Our Board is actively involved in overseeing our risk management through our Audit Committee. Under its charter, our Audit Committee is responsible for discussing guidelines and policies governing the process by which our senior management and our relevant departments assess and manage our exposure to risk, as well as our major financial risk exposures and the steps management has taken to monitor and control such exposures. Although we believe that the separation of the roles of Chairman and Chief Executive Officer could diversify any risk discussion by our Board, this was not a significant issue in determining our Board’s leadership structure.

Stockholder and Interested Party Communications

Communications to our Board, any of its committees or the chairperson of our Governance Committee (who chairs the quarterly executive sessions of our non-management directors) may be addressed to Corporate Secretary, Douglas Emmett, Inc., 808 Wilshire Blvd., Suite 200, Santa Monica, CA 90401, marked to the attention of the appropriate recipient. Copies of all communications so addressed will be promptly forwarded to the chairperson of the committee involved or, in the case of communications addressed to our Board as a whole, to the chairperson of our Governance Committee.

Annual Meeting Attendance

We expect that all of our Board members will attend our annual meetings of stockholders in the absence of a showing of good cause for failure to do so. Seven of the eight members of our Board attended our 2010 annual meeting of stockholders.

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BOARD MEETINGS AND COMMITTEES

During 2010, our Board held four meetings, acted by written consent five times. Our Board has three separately designated standing committees: our Governance Committee, our Audit Committee and our Compensation Committee. Each member of these standing committees has been determined to meet the standards for “director independence” under the rules of the SEC and the rules and regulations of the NYSE. Each incumbent director attended at least 75% of the aggregate number of meetings of our Board and meetings of committees of our Board on which she or he served during 2010.

Nominating and Corporate Governance Committee

The members of our Governance Committee are Dr. Andrea L. Rich, Chairperson, Ghebre Selassie Mehreteab and William Wilson III. Our Governance Committee has adopted a charter that is available on our website at <http://www.douglasemmett.com/charters>. In addition to any other duties or responsibilities as may be assigned by the Board, our Governance Committee is responsible for (i) reviewing the size and composition of our Board; (ii) evaluating and recommending candidates for director; (iii) reviewing the frequency and structure of meetings and procedures of our Board; (iv) reviewing the size, composition and functioning of committees of our Board; (v) reviewing our corporate governance guidelines; (vi) reviewing our director compensation levels and practices; (vii) overseeing our Board’s self-evaluation process; and (viii) considering any other corporate governance issues that may arise. Under our Corporate Governance Guidelines, the chairperson of our Governance Committee also chairs the executive sessions of non-management directors. Our Governance Committee met three times during 2010.

Our Governance Committee manages the process for evaluating current Board members at the time they are considered for re-nomination. After considering the appropriate skills and characteristics required on our Board, the current makeup of our Board, the results of the evaluations, and the wishes of our Board members to be re-nominated, our Governance Committee recommends to our Board whether those individuals should be re-nominated.

On at least an annual basis, our Governance Committee reviews with our Board whether it believes our Board would benefit from adding a new member(s), and if so, the appropriate skills and characteristics required for the new member(s). If our Board determines that a new member would be beneficial, our Governance Committee solicits and receives recommendations for candidates and manages the process for evaluating candidates. All potential candidates, regardless of their source (including candidates recommended by stockholders), are reviewed under the same process. Our Governance Committee (or its chairman) screens the available information about the potential candidates. Based on the results of the initial screening, interviews with viable candidates are scheduled with Governance Committee members, other members of our Board and senior members of our management. Upon completion of these interviews and other due diligence, our Governance Committee may recommend to our Board the election or nomination of a candidate.

All Board nominees must demonstrate an ability to make meaningful contributions to the oversight of our business and affairs and also must have a reputation for honesty and ethical conduct in their personal and professional activities. Our Governance Committee also believes that all directors should share qualities such as objectivity, experience and strong communication and analytical skills. Our Governance Committee may also consider additional factors, including a candidate’s specific experiences and skills, relevant industry background and knowledge, time availability in light of other commitments (such as service on other public company boards or on other governing boards), potential conflicts of interest, material relationships with us and independence from our management. Our Governance Committee does not have a formal policy with respect to diversity; however, our Board and our Governance Committee believe that it is important that we have Board members whose diversity of skills, experience and background are complementary to those of our other Board members. In considering candidates for our Board, the Governance Committee considers the entirety of each candidate’s credentials.

We expect that candidates for independent Board members will typically be found through recommendations from directors or others associated with us or with the help of executive search firms (which receive a fee for their services). In any given search, our Governance Committee may also define particular characteristics for candidates to balance the overall skills and characteristics of our Board and our perceived needs. However, during any search, our Governance Committee reserves the right to modify its stated search criteria for exceptional candidates. Our stockholders may also recommend candidates by sending the candidate's name and resume to our Governance Committee under the provisions set forth above for communication with our Board. No such suggestions from our stockholders were received in time for our Annual Meeting.

We require specific approval by our Governance Committee of service by any of our directors on more than three boards of directors of public companies (including service on our Board) or on more than two audit committees of other public companies if such director also serves on our Audit Committee. We also intend to limit service of independent directors on our Board to seven years, unless that limit is waived by our Governance Committee. Finally, our policy requires our directors to submit a letter of resignation upon a material change in their current employment status or job responsibilities, which our Governance Committee may accept or reject in its sole discretion.

Audit Committee

The members of our Audit Committee are Thomas E. O'Hern, Chairman, Leslie E. Bider and Ghebre Selassie Mehreteab. Our Audit Committee has adopted a charter, which is available on our website at <http://www.douglasemmett.com/charters>. The information contained in this paragraph shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act of 1934 as amended (the "Exchange Act"), whether made before or after the date hereof and irrespective of any general incorporation language in any such filing (except to the extent that we specifically incorporate this information by reference) and shall not otherwise be deemed "soliciting material" or "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act (except to the extent that we specifically request that this information be treated as soliciting material or specifically incorporate this information by reference).

The principal functions of our Audit Committee include (i) approving the appointment, compensation and retention of, and overseeing the work of, our independent public accounting firm; (ii) reviewing our financial statements, our earnings releases, and our internal controls over financial reporting, including the impact of any material risks, legal matters, regulatory and accounting initiatives, accounting principles and financial statement presentations and off-balance sheet structures; (iii) reviewing and granting waivers under our policies relating conflicts of interest and our Code of Business Conduct and Ethics; and (iv) establishing procedures with respect to reports of questionable accounting or auditing matters or illegal, unethical or other questionable conduct or conflicts of interest.

Our Audit Committee must approve any decision to hire any person who served as a senior member of the audit team of our independent auditor within the prior two years. Our Audit Committee met four times during 2010 and acted by written consent twice.

As required in our Audit Committee Charter, our Board has determined that each member of our Audit Committee is "independent," as defined under the rules and regulations of the SEC and the NYSE, and that Thomas E. O'Hern, Chairman of our Audit Committee, is an "audit committee financial expert" as defined under the rules of the SEC.

Compensation Committee

The members of our Compensation Committee are Leslie E. Bider, Chairman, Thomas E. O'Hern and Dr. Andrea L. Rich. Our Compensation Committee has adopted a charter, which is available on our website at <http://www.douglasemmett.com/charters>. The principal functions of our Compensation Committee include (i) evaluating the performance of our Chief Executive Officer and Chief Operating Officer and determining their compensation, including salary, bonus, incentive and equity compensation and perquisites and other personal benefits; (ii) reviewing the performance, compensation, perquisites or other personal benefits of our other executive officers; (iii) reviewing our executive compensation plans, general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans; (iv) approving grants of equity; (v) approving any employment, change in control, severance or termination agreement or arrangement to be made with any executive officer; and (vi) overseeing our policies relating to the compensation of, and other matters relating to, our employees generally. Our Compensation Committee has the authority to delegate to its subcommittees such power and authority as it deems appropriate to the extent consistent with laws, regulations or listing standards, but has not done so. Our

Compensation Committee met five times during 2010 and acted by written consent once.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Program

Our Compensation Committee is responsible for oversight of our compensation and employee benefit plans and practices, including our executive compensation, incentive compensation and equity-based plans. Our Compensation Committee also establishes our policies with respect to compensation of executive officers, including our named executive officers (as defined below) and reviews and presents to our Board for its approval our executive compensation disclosures required by the SEC. Throughout this Proxy Statement, we refer to our Chief Executive Officer and Chief Financial Officer, as well as the other individuals included in the Summary Compensation Table below, as our “named executive officers.”

Compensation Philosophy and Objectives

We seek to maintain a competitive total compensation package that aligns the economic interest of our named executive officers with that of our stockholders and rewards individual and corporate performance, while also considering multiple factors, including the expenditure required and accounting, tax and share dilution impacts. Subject to our existing contractual obligations, our Compensation Committee also compares compensation levels and structures with that of other employers, based on a benchmark analysis of 2009 actual compensation prepared by our Compensation Committee’s outside compensation consultants. The peer group data for 2009 is the latest data available when the compensation decisions are made for 2010. Our benchmark group for 2010 was the same as that for 2009 and consisted of 14 Real Estate Investment Trusts (REITs) in three sectors including office, industrial and diversified: Alexandria Real Estate Equities, Inc., AMB Property Corporation, Boston Properties, Inc., Brandywine Realty Trust, Digital Realty Trust, Inc., Duke Realty Corporation, iStar Financial, Kilroy Realty Corporation, Liberty Property Trust, Mack-Cali Realty Corporation, ProLogis, PS Business Parks, Inc., SL Green Realty Corp. and Vornado Realty Trust.

Role of Compensation Consultants

In 2010, our Compensation Committee again retained FTI SMG LLC, a Maryland limited liability company, d/b/a FTI Schonbraun McCann Group (“SMG”), to assist in our Compensation Committee’s determination of executive compensation. SMG had been retained in prior years to make recommendations concerning the structure and amount of compensation for our named executive officers and our Board. In 2010, SMG was retained to review in-place annual compensation program for 2010 for our senior management team, including base salary, annual cash incentive and annual equity-based incentive compensation, the compensation program for directors and the longer term arrangements for our senior management team, including employment agreements and quadrennial restricted equity grants. In its engagement letter, SMG specifically confirmed that (i) it was ultimately accountable to our Compensation Committee, which had the ultimate authority to engage, evaluate and, if appropriate, terminate SMG’s services; (ii) it would timely report directly to our Compensation Committee any difficulties encountered in the course of its work, including any restriction on the scope of activities or access to required information and (iii) while it would meet with management in the course of its services to gather and check facts, and to obtain their reactions to alternatives that SMG believed should be considered by our Compensation Committee, our management was not empowered to set the nature or scope of, or to give SMG instructions or directions concerning the engagement of SMG, all of which powers were exclusively reserved to our Compensation Committee.

Annual Compensation Components

The principal components of annual compensation for our named executive officers for 2010 were:

- salary;
- annual incentive compensation; and
- perquisites and other personal benefits.

Salary. Our general approach to compensating our executives is to pay cash salaries that are commensurate with that executive's experience and expertise and, where relevant, are comparable to the salaries paid to executives in competitive businesses. We establish salary levels for our named executive officers annually (as well as upon any promotion or other change in job responsibility) as part of their total compensation package based on matters including (i) the responsibilities of the position, (ii) the individual's salary history, performance and perceived ability to influence our financial performance in the short and long-term, (iii) the compensation of our other employees, and (iv) an evaluation of salaries for similar positions in our benchmark group and other competitive factors. We also believe that salary should generally compose a smaller percentage of expected total compensation for more senior executives. Mr. Emmett's salary was set by negotiation prior to our initial public offering and the establishment of our Compensation Committee. Changes in salary may reflect changes in the cost of living, changes in compensation paid by our benchmark group and other employers, or our Compensation Committee's assessment of the individual's performance.

Our Compensation Committee did not increase the salaries of Messrs. Kaplan or Panzer for 2011, believing that any increases in compensation should be reflected in their incentive compensation. Our Compensation Committee did increase Mr. Kamer's base salary by 2%, in line with inflation and the increases approved for our other employees for 2011. Our Compensation Committee also increased Mr. Emmett's base salary to \$110,000. Our Compensation Committee continues to believe that Mr. Emmett's compensation is significantly below that of other executives with his seniority, abilities and experience. For information concerning base salaries of each of our named executive officers during 2010, see "—Summary Compensation Table" below.

Annual Incentive Compensation. We believe that most of the annual compensation for our named executive officers should be paid in the form of discretionary compensation based on our Compensation Committee's assessment of the executive's individual performance and our overall performance during the year. Our Compensation Committee has not set criteria in advance, but rather has retained the discretion to award amounts based on its assessment of performance at the end of the year. We also believe that the policy of using discretion to set incentive compensation, rather than fixed formulas, which can result in unintended consequences, allows our Compensation Committee to determine compensation at the end of each year based on its perception of the totality of our officer's performance. We have also paid most of the annual bonuses of our named executive officers and other senior employees in the form of equity, particularly LTIP Units, a portion of which vests over time. For 2010, our named executive officers received one-third of their aggregate 2010 incentive compensation in cash and the remaining two-thirds in the form of LTIP Units that were valued based on the value of our Common Stock on the date of grant. One half of the LTIP Units were vested on grant, and the remainder vests in three equal annual installments. We believe that this practice has the effect of aligning their interests with those of our stockholders with respect to the risks and rewards of our business.

In determining aggregate 2010 incentive compensation at its meeting in December 2010, our Compensation Committee considered our operating performance in 2010. In addition, our Compensation Committee noted that our management was able to hold our general and administrative expenses to one of the lowest percentages of revenues among our benchmark group. Based on these and other considerations, and after reviewing the compensation data

from our benchmark group for 2009 (as 2010 data for our peer group was not yet published), our Compensation Committee determined to restore the pay reduction to which Mr. Kaplan and Mr. Panzer had agreed for 2008 and 2009. Mr. Kamer's 2010 incentive compensation was unchanged from 2009 (as he had not had a pay reduction for 2009). Because of a different mix of equity grants and additional restrictions placed on those grants, the fair value of the 2010 aggregate annual compensation (cash and equity) of Mr. Kaplan, Mr. Panzer and Mr. Kamer as reported in our Summary Compensation table declined by approximately 11%, 11% and 13%, respectively, compared to 2009.

Our Compensation Committee did not have any comparison data with respect to 2010 for our benchmark group, which we expect will be somewhat higher than the 2009 data available to us. However, using 2009 compensation for our benchmark group, the total compensation (including salary, cash bonus and annual equity grants) for our named executive officers in 2010 would have placed Mr. Kaplan somewhat below the 50th percentile of chief executive officers, Mr. Panzer at the approximate 70th percentile of those entities with a chief operating officer or equivalent, and Mr. Kamer somewhat below the 50th percentile of chief financial officers. Adding one quarter of the quadrennial restricted equity grants discussed below to 2010 annual compensation would have placed Mr. Kaplan and Mr. Panzer's total compensation at approximately the 60th percentile of CEOs for 2009 and Mr. Kamer's at approximately the 65th percentile of chief financial officers for 2009. Mr. Emmet's incentive compensation for 2010 was essentially unchanged compared to 2009, although our Compensation Committee continues to believe that Mr. Emmett's total compensation is significantly below that of other executives with his seniority, abilities and experience. For information concerning the cash bonus paid and equity awards granted to each of our named executive officers in 2010, see "—Summary Compensation Table" and "Grants of Plan-based Awards" table below.

Perquisites and Other Personal Benefits. Our named executive officers participate in our employee plans on the same basis as our other employees, including vacation, medical and health benefits and our retirement savings plan under Section 401(k) of the Internal Revenue Code. In addition, we provide our named executive officers with limited perquisites and other personal benefits that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain superior employees for key positions: (i) each of Messrs. Kaplan and Panzer is entitled to the use of an automobile and family health insurance (under their prior employment contracts which expired in 2010, each of Messrs. Kaplan and Panzer was also entitled to reimbursement of certain tax and financial services fees and a personal umbrella insurance policy); (ii) Mr. Kamer is entitled to reimbursement for family health insurance costs, since he does not participate in our medical plans, and a car allowance; and (iii) Mr. Emmett receives an automobile allowance. The benefits for Messrs. Kaplan, Panzer and Kamer are required pursuant to their employment agreements. Messrs. Emmett, Kaplan and Panzer are also entitled to use their secretaries for personal matters, which we believe can increase the efficiency of their efforts for us. These benefits are considered by our Compensation Committee in its review of compensation for our named executive officers, and no changes were made with respect to 2010 or 2011. We believe these perquisites, while not representing a significant portion of our named executive officers' total compensation, reflect our intent to create overall market comparable compensation packages. For information concerning the value of the perquisites of each of our named executive officers during 2010, see "—Summary Compensation Table" below.

Multi-year Compensation Decisions.

We believe that our compensation programs should be geared to our long-term success. Thus, in addition to our annual compensation decisions, we periodically make long-term compensation decision that relate to multiple years. In 2010, these included:

Quadrennial Restricted Equity Grants. We believe that our named executive officers should have a significant portion of their compensation based on quadrennial restricted equity grants. Although many companies in our benchmark group have used so called "Outperformance Plans" for this purpose, we believe that this function can be more effectively performed by restricted equity grants, which also minimize potential conflicts between our management and our stockholders with respect to risk. As the last quadrennial restricted equity grants made to our named executive officers was in 2006, during 2010 our Compensation Committee made quadrennial restricted equity grants to our named executive officers based on comparative data supplied by SMG. For information concerning these grants, see "—Grants of Plan Based Awards" below.

Employment Agreements. In connection with our initial public offering in 2006, we entered into four-year employment agreements with Messrs. Kaplan, Panzer and Kamer. In connection with the expiration of the initial four-year term of those agreements in December 2010, we entered into new four-year agreements with each of these officers in December 2010. The new agreements did not provide any increases in compensation or benefits from their 2010 compensation. However, each of the named executive officers involved agreed to eliminate certain perquisites and to eliminate the provisions entitling each of these officers to an “excise tax gross up” with respect to parachute payments on a change of control. While the exact calculation of the amount of such gross up payments is complex, we estimate that, had a termination in connection with a change of control occurred immediately after December 31, 2010 under the expired employment agreements, the total approximate value of the provision that Messrs. Kaplan, Panzer and Kamer agreed to eliminate would have been \$30,249,825, \$30,218,187 and \$5,573,488, respectively. The other terms of the new employment agreements were largely unchanged from the prior versions, except for technical amendments to comply with certain laws and regulations adopted in the interim, including rules relating to the “clawback” of any excess compensation after any restatement of our financial statements.

Tax, Accounting and Risk Implications

Our Compensation Committee considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that we may not deduct compensation of more than \$1,000,000 that is paid to certain individuals under certain circumstances. Our Compensation Committee’s policy with respect to Section 162(m) is to make every reasonable effort to make that compensation deductible while simultaneously providing the executives with appropriate compensation for their performance. We believe that the compensation paid to our named executive officers in 2010 should generally be fully deductible for federal income tax purposes.

We account for stock-based payments, including awards under our 2006 Plan (defined below), in accordance with the requirements of Accounting Standards Codification (“ASC”) 718.

While we believe that paying most of the compensation of our named executive officers in equity has the effect of aligning their interests with those of our stockholders with respect to the risks and rewards of our business, we have not adopted any specific policies regarding adjustments to our compensation policies and practices to address changes in our risk profile, although we expect to take those into account on an annual basis in accessing compensation and may make changes to overall approach if our Compensation Committee determines them to be necessary. We believe that our practice of paying much of the compensation of our executive officers in our equity, together with our guidelines that our named executives hold significant number of our shares, help align the interests of our executives with those of our stockholders in evaluating the risks of our business.

Role of Executive Officers in Compensation Decisions

Under its charter, our Compensation Committee makes all compensation decisions with respect to our Chief Executive Officer and Chief Operating Officer, and recommends to our Board the compensation for our other named executive officers and all other elected officers, although it may consult with other advisors, including our Chief Executive Officer and other officers, as it deems appropriate. In determining the appropriate compensation levels for our Chief Executive Officer and our Chief Operating Officer, our Compensation Committee meets outside the presence of all of our executive officers. As noted above, although SMG’s engagement letter allowed it to meet with management in the course of its services to gather and check facts, and to obtain their reactions to alternatives that SMG believed should be considered by our Compensation Committee, our management was not empowered to set the nature or scope of, or to give SMG instructions or directions concerning, its engagement, all of which powers were exclusively reserved to our Compensation Committee.

Change of Control Payments

As described below under “—Principal Compensation Agreements and Plans—Employment Agreements,” we are obligated under our employment contracts with Messrs. Kaplan, Panzer and Kamer to make severance payments to them in the event they terminate their employment within 18 months after a change of control as defined in those agreements. In addition, the awards we have made under our 2006 Plan (defined below) provide that if following a change of control either the employment of a participant (including any of our named executive officers) is terminated without cause by us or for good reason by the participant, or our Common Stock is no longer publicly traded, then any unvested options or LTIP Units will immediately vest. In 2010, Messrs. Kaplan, Panzer and Kamer agreed to remove any excise tax gross up features these provisions from their new employment agreements.

PRINCIPAL COMPENSATION AGREEMENTS AND PLANS

2006 Omnibus Stock Incentive Plan

The Douglas Emmett, Inc. 2006 Omnibus Stock Incentive Plan (our “2006 Plan”) was adopted by our Board and approved by our stockholders prior to the consummation of our initial public offering in 2006 and was amended with the approval of our stockholders in 2009. Our 2006 Plan is designed to be an important component of overall compensation for our key employees, directors and other persons by permitting participation by these key persons in our long-term growth and profitability. This summary of our 2006 Plan does not purport to be exhaustive and is expressly qualified in its entirety by reference to the full text of our 2006 Plan, as amended.

Our 2006 Plan is administered and interpreted by our Compensation Committee. All full-time and part-time officers, employees, directors and other key persons (including consultants and prospective employees) are eligible to participate in our 2006 Plan. We reserved a total of 27,600,000 shares (subject to adjustment for stock splits, stock dividends or similar changes in our capitalization) of our Common Stock for the issuance of awards under our 2006 Plan, of which approximately 23,974,000 shares remained available for future issuance as of December 31, 2010. Subject to certain exceptions, shares that are forfeited or canceled from awards under our 2006 Plan become available for future awards. Our 2006 Plan is a “Fungible Share” plan, under which so called “full value” awards made after the date of the 2009 amendment (such as Deferred Stock Awards, Restricted Stock Awards and LTIP Unit awards) count against our 2006 Plan overall limits as two shares (rather than one), while options and stock appreciation rights (“SARs”) are counted as one share (0.9 shares for options or SARs with terms of five years or less).

Our 2006 Plan provides our Compensation Committee with the authority to grant a variety of types of equity awards:

- **Incentive Stock Options or Non-Qualified Stock Options.** Options entitle the participant to purchase shares of our Common Stock over time for an exercise price fixed on the date of the grant. The exercise price may not be less than 100% of the fair market value of our Common Stock on the date of the grant, and may be paid in cash, or by the transfer of shares of our Common Stock meeting certain criteria or by a combination thereof. Although we expect to grant only non-qualified stock options, our 2006 Plan permits the grant of options that qualify as “incentive stock options” under the Internal Revenue Code.
- **Stock Appreciation Rights.** SARs entitle the participant to receive the appreciation in the fair market value of our Common Stock between the date of grant and the exercise date in the form of shares of our Common Stock.
- **Restricted Stock and Deferred Stock Awards.** Restricted stock awards are shares of our Common Stock that vest in accordance with terms and conditions established by our Compensation Committee. Deferred stock awards are stock units entitling the participant to receive shares of our Common Stock paid out on a deferred basis. Shares of restricted stock or deferred stock awards that do not satisfy any vesting conditions are subject to our right of repurchase or forfeiture.
 - **Dividend Equivalent Rights.** Dividend equivalent rights entitle the participant to receive credits for dividends that would be paid if the participant had held specified shares of our Common Stock.
- **Other Stock-based Awards.** Other stock-based awards permitted under our 2006 Plan include awards that are valued in whole or in part by reference to shares of our Common Stock, including convertible preferred stock, convertible debentures and other convertible or exchangeable securities, partnership interests in a subsidiary or our operating partnership, awards valued by reference to book value, fair value or performance of a subsidiary, and any class of profits interest or limited liability company membership interest.

- **LTIP Units.** LTIP Units are a separate series of units of limited partnership interests in Douglas Emmett Properties, LP, our operating partnership, valued by reference to the value of our Common Stock. LTIP Unit awards, whether vested or unvested, entitle the participant to receive, currently or on a deferred or contingent basis, dividends or dividend equivalent payments with respect to the number of shares of our Common Stock underlying the LTIP Unit award or other distributions from our operating partnership. LTIP Unit awards that do not satisfy any vesting conditions are subject to our right of repurchase or forfeiture. LTIP Units are structured as “profits interests” for federal income tax purposes, and we do not expect the grant, vesting or conversion of LTIP Units to produce a tax deduction for us. As profits interests, LTIP Units initially will not have full parity with our operating partnership’s common units with respect to liquidating distributions. Upon the occurrence of specified events, LTIP Units can achieve full parity with those common units with respect to liquidating distributions. If full parity is achieved, LTIP Units may be converted, subject to the satisfaction of applicable vesting conditions, on a one-for-one basis into common units, which in turn are redeemable by the holder for shares of our Common Stock or for the cash value of such shares, at our election. Until full parity is reached, the value that a participant could realize for a given number of LTIP Units will be less than the value of an equal number of shares of our Common Stock and may be zero.

Our 2006 Plan is not an “evergreen” plan and has a ten-year term ending in October 2016, so that awards may not be made under our 2006 Plan after October 2016. Any awards made under our 2006 Plan that remain outstanding after that date will continue to be governed by the terms of our 2006 Plan. Our 2006 Plan generally prohibits the transfer of awards, and only allows the participant to exercise an award during his or her lifetime, although our Compensation Committee may allow certain transfers to family members or entities. If we experience a change-in-control, our Board and the board of directors of the surviving or acquiring entity must make appropriate provisions for the continuation or assumption of awards outstanding under our 2006 Plan, and may provide for the acceleration of vesting with respect to existing awards. We may amend, suspend or terminate our 2006 Plan at any time, but we will obtain stockholder approval of any such action if it is required to comply with applicable law or NYSE regulations. Further, we will need the holder’s consent if in doing so we adversely affect any rights under outstanding awards.

Employment Agreements

Kaplan, Panzer and Kamer Employment Agreements. In connection with the expiration of their employment agreements, we and our operating partnership entered into new employment agreements with Messrs. Kaplan, Panzer and Kamer in December 2010. The new agreements did not provide any increases in compensation or benefits for the executives from that paid in 2010. However, each of the named executive officers involved agreed to eliminate certain perquisites and removed the provisions entitling each of these officers to an “excise tax gross up” with respect to parachute payments on a change of control. The other terms of the new employment agreements were largely unchanged from the prior versions, except for technical amendments to comply with certain laws and regulations adopted since entering into the prior agreements. The principal terms of the new agreements include the following:

- **Salary:** Each of Messrs. Kaplan and Panzer is entitled to receive a salary of not less than \$1,000,000, and Mr. Kamer is entitled to receive a salary of not less than \$600,000.
- **Bonus:** Each of Messrs. Kaplan, Panzer and Kamer is entitled to receive an annual bonus based on his individual performance and our overall performance during the year, as evaluated by our Compensation Committee in consultation with the officer.
- **Perquisites and Other Benefits:** Mr. Kaplan and Mr. Panzer are entitled to the use of an automobile and family health insurance. Mr. Kamer is entitled to reimbursement for family health insurance costs, since he does not participate in our medical plans, and a car allowance.

- **Term:** The term of each employment agreement ends December 31, 2014, subject to one year extensions if no notice is given at least 60 days prior to the end of the then current term, and earlier termination with or without cause (although 30-days' prior notice is required where the termination is by us without "cause" or by the officer for "good reason"). Good reason includes a termination by the officer within 18 months after the occurrence of a change of control.
- **Severance Payments:** If we terminate the officer's employment without cause or if the officer terminates his employment for good reason, he will receive severance equal to (a) compensation equal to three (two in the case of Mr. Kamer) times the average of his total compensation over the last three full calendar years ending prior to the termination date, including (i) his salary, (ii) his annual bonus and (iii) the value (based on the Black-Scholes value in the case of options and the value of the underlying grants in the case of LTIP Unit awards or outperformance plans) of any equity or other compensation plans granted or awarded to the officer and (b) continued coverage under our medical and dental plans for himself and his eligible dependents for a three-year period (two-year period for Mr. Kamer) following his termination.
- **Other Termination Payments:** Upon the officer's death or disability, he will receive continued medical benefits for himself and his eligible dependents for a period of twelve months plus a pro-rated portion of his annual bonus.
- **Non-competition:** Each of these employment agreements also contains confidentiality and non-solicitation provisions effective through the term of the agreement and for a period of two years (confidentiality) and one year (non-solicitation) thereafter, as well as a non-competition provision that applies during the term of the agreement, and under which the officer covenants that he will not: (i) for his own account engage in any business that invests in or deals with large and mid-size office buildings and multifamily properties in Los Angeles County and Hawaii (larger than 50,000 square feet for office properties and 50 units for apartment buildings); (ii) enter the employ of, or render any consulting or any other services to, any such entities that so compete, directly or indirectly, with any business carried on by us or any of our subsidiaries; or (iii) become interested in any such competing entity in any capacity, including, without limitation, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; provided, however, that the officer may own, directly or indirectly, solely as a passive investment, 5% or less of any class of securities of any entity traded on any national securities exchange and any assets acquired in compliance with the requirements of the aforementioned non-competition provisions.

Summary Compensation Table

The following tables set forth the salary and other compensation earned for 2008, 2009 and 2010 by our President and Chief Executive Officer, our Chief Financial Officer and our two other executive officers who for 2010 received more than \$100,000 in aggregate compensation. As noted above, we pay the annual bonus for our executives, partly in cash and partly in restricted equity grants, in January of the following year. In compliance with applicable SEC rules, the first table below reports the cash and equity portions of each named executive officer's annual bonus in different years, since the cash portion of an annual bonus is included in the year for which it is earned (even though paid after year end) and the equity portion is reported in the year in which it is granted (even though representing compensation for a prior year). In addition, the first table below includes the full value of the quadrennial restricted equity grants we made in 2010, with no comparable amounts in 2009 or 2008 (because the most recent quadrennial grant was in 2006).

While the first table below is presented in accordance with SEC requirements, to assist readers in comparing annual compensation for each year, we have included the second table below that reflects both the cash and the equity portion of the annual bonus in the year with respect to which they were earned and excludes the effect of quadrennial restricted equity grants.

SUMMARY COMPENSATION TABLE

Cash Bonuses in Year Earned, Equity Bonus in Year Granted, Includes Full Costs of Quadrennial Equity Grants in 2010 (1)
(per SEC rules)

Name & Principal Position	Year	Salary \$	Bonus \$(2)	LTIP Unit Awards \$(3)	Option Awards \$(3)	All Other Compensation \$(4)	Total \$
Dan A. Emmett Chairman of the Board	2010	\$ 100,000	\$ 0	\$ 44,175	\$ 50,000	\$ 69,086	\$ 263,261
	2009	\$ 100,000	\$ 0	\$ 46,257	\$ 50,000	\$ 60,848	\$ 257,105
	2008	\$ 100,000	\$ 0	\$ 46,264	\$ 50,000	\$ 59,705	\$ 255,969
Jordan L. Kaplan President and CEO	2010	\$ 1,000,000	\$ 1,816,667	\$ 5,372,223	\$ 1,666,669	\$ 63,123	\$ 9,918,682
	2009	\$ 1,000,000	\$ 1,666,667	\$ 1,156,259	\$ 1,250,000	\$ 82,146	\$ 5,155,072
	2008	\$ 1,000,000	\$ 2,500,000	\$ 1,850,010	\$ 2,000,000	\$ 89,117	\$ 7,439,127
Kenneth M. Panzer Chief Operating Officer	2010	\$ 1,000,000	\$ 1,816,667	\$ 5,372,223	\$ 1,666,669	\$ 49,512	\$ 9,905,071
	2009	\$ 1,000,000	\$ 1,666,667	\$ 1,156,259	\$ 1,250,000	\$ 45,988	\$ 5,118,914
	2008	\$ 1,000,000	\$ 2,500,000	\$ 1,850,010	\$ 2,000,000	\$ 38,694	\$ 7,388,704
William Kamer Chief Financial Officer	2010	\$ 600,000	\$ 366,667	\$ 1,363,899	\$ 366,667	\$ 23,400	\$ 2,720,633
	2009	\$ 600,000	\$ 366,667	\$ 254,378	\$ 275,000	\$ 23,400	\$ 1,519,445
	2008	\$ 600,000	\$ 550,000	\$ 265,941	\$ 287,500	\$ 23,400	\$ 1,726,841

SUMMARY COMPENSATION TABLE

Equity and Cash Annual Bonuses Recorded in Year Earned, Excludes Quadrennial Equity Grants in 2010 (1)

Name & Principal Position	Year	Salary \$	Bonus \$(2)	LTIP Unit Awards \$(3)	Option Awards \$(3)	All Other Compensation \$(4)	Total \$
Dan A. Emmett Chairman of the Board	2010	\$ 100,000	\$ 0	\$ 34,759	\$ 0	\$ 69,086	\$ 253,845
	2009	\$ 100,000	\$ 0	\$ 44,175	\$ 50,000	\$ 60,848	\$ 255,023
	2008	\$ 100,000	\$ 0	\$ 46,257	\$ 50,000	\$ 59,705	\$ 255,962
Jordan L. Kaplan	2010	\$ 1,000,000	\$ 1,816,667	\$ 2,361,677	\$ 0	\$ 63,123	\$ 5,241,467

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President and CEO	2009	\$ 1,000,000	\$ 1,666,667	\$ 1,472,223	\$ 1,666,669	\$ 82,146	\$ 5,887,705
	2008	\$ 1,000,000	\$ 2,500,000	\$ 1,156,259	\$ 1,250,000	\$ 89,117	\$ 5,995,376
Kenneth M. Panzer Chief Operating Officer	2010	\$ 1,000,000	\$ 1,816,667	\$ 2,361,677	\$ 0	\$ 49,512	\$ 5,227,856
	2009	\$ 1,000,000	\$ 1,666,667	\$ 1,472,223	\$ 1,666,669	\$ 45,988	\$ 5,851,547
	2008	\$ 1,000,000	\$ 2,500,000	\$ 1,156,259	\$ 1,250,000	\$ 38,694	\$ 5,944,953
William Kamer Chief Financial Officer	2010	\$ 600,000	\$ 366,667	\$ 476,668	\$ 0	\$ 23,400	\$ 1,466,735
	2009	\$ 600,000	\$ 366,667	\$ 323,899	\$ 366,668	\$ 23,400	\$ 1,680,634
	2008	\$ 600,000	\$ 550,000	\$ 254,378	\$ 275,000	\$ 23,400	\$ 1,702,778

-
- (1) The fair value of quadrennial restricted equity grants in 2010 to Messrs. Kaplan, Panzer and Kamer was \$3,900,000, \$3,900,000 and \$1,040,000, respectively.
- (2) Bonuses are cash amounts paid to each officer with respect to the year in question, whether paid in that year or the next.

- (3) The amounts in these columns represent the aggregate grant date fair value of restricted equity grants issued, calculated in accordance with ASC 718, under the assumptions set forth in Note 13 to our audited financial statements for the year ended December 31, 2010 included in our Annual Report to Stockholders. As noted above, we pay the annual bonus for our executives partly in cash and partly in restricted equity grants in January of the following year. In accordance with SEC rules, the first table includes the equity portions of the annual bonus in the subsequent year and the full costs of the quadrennial restricted equity grants in 2010. For a more direct annual comparison, the second table above reflects both the cash and the equity portion of the bonus in the year with respect to which they were earned, and excludes the quadrennial restricted equity grants.
- (4) The amount shown reflects: (i) in the case of Mr. Kamer and Mr. Panzer, \$3,000 in matching contributions under our 401K Plan for each of the years shown; (ii) any estimated aggregate incremental cost to us attributable to personal use of administrative assistance services provided by us for that named executive officer; (iii) the cost of any financial planning services for that named executive officer reimbursed by us; and (iv) any auto allowances and any reimbursement of medical insurance premiums paid by us to that named executive officer. Based on an estimated allocation of the compensation (salary, bonus and overtime) of his administrative assistant, we valued Mr. Kaplan's personal benefit at \$54,627 in 2008, \$35,998 in 2009 and \$25,915 in 2010.

Grants of Plan-based Awards

The following table sets forth the grants of plan-based awards during fiscal 2010 to our named executive officers, including quadrennial grants of LTIP Units made on December 2, 2010:

Name	Grant Date(1)	Approval Date (1)	Non-incentive Stock Awards or LTIP Units (#)	Non-incentive Awards:		Grant Date Fair Value of LTIP Unit Awards and Option Awards(2)
				Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/sh)	
Dan A. Emmett	1/19/10	12/24/09	3,323			\$ 44,175
	1/19/10	12/24/09		15,773	\$ 15.05	\$ 50,000
Jordan L. Kaplan	1/19/10	12/24/09	110,742			\$ 1,472,223
	1/19/10	12/24/09		525,763	\$ 15.05	\$ 1,666,669
	12/02/10	12/02/10	355,661			\$ 3,900,000
Kenneth M. Panzer	1/19/10	12/24/09	110,742			\$ 1,472,223
	1/19/10	12/24/09		525,763	\$ 15.05	\$ 1,666,669
	12/02/10	12/02/10	355,661			\$ 3,900,000
William Kamer	1/19/10	12/24/09	24,364			\$ 323,899
	1/19/10	12/24/09		115,668	\$ 15.05	\$ 366,668
	12/02/10	12/02/10	94,843			\$ 1,040,000

- (1) In accordance with SEC rules, the awards granted in January are included in the table above because they were made in 2010, even though they were part of each executive's compensation for 2009. Consistent with our annual practice, our Compensation Committee approved the dollar value of these grants on December 24, 2009, stipulating that they be issued on January 19, 2010, with the number of shares and option exercise price to be based on the closing price on the date of grant (\$15.05). Our Compensation Committee did so because we wish to

inform our employees of the grants in their reviews, which are then scheduled to occur between the date of approval and the date of grant.

- (2) The amounts in this column represent the aggregate grant date fair value of the options and LTIP Units calculated in accordance with ASC 718, under the assumptions set forth in Note 13 to our audited financial statements for the year ended December 31, 2010 included in our Annual Report to Stockholders.

Outstanding Equity Awards at Fiscal Year-end.

The following table reflects outstanding vested and unvested stock options and unvested LTIP Units held by our named executive officers as of December 31, 2010:

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards			LTIP Unit Awards	
		Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Option Exercise Price (\$)	Option Expiration Date	Number of LTIP Units That Have Not Vested (2)	Market Value of LTIP Units That Have Not Vested (2)
Dan A. Emmett						
	177,778	0	\$ 21.00	10/30/2016	2,201	\$ 36,537
	26,456	0	\$ 21.87	12/31/2017		
	40,761	13,587	\$ 11.42	12/31/2018		
	10,516	5,257	\$ 15.05	12/31/2019		
Jordan L. Kaplan						
	2,488,889	0	\$ 21.00	10/30/2016	242,109	\$ 4,019,009
	1,058,202	0	\$ 21.87	12/31/2017		
	1,019,022	339,674	\$ 11.42	12/31/2018		
	350,509	175,254	\$ 15.05	12/31/2019		
Kenneth M. Panzer						
	2,488,889	0	\$ 21.00	10/30/2016	242,109	\$ 4,019,009
	1,058,202	0	\$ 21.87	12/31/2017		
	1,019,022	339,674	\$ 11.42	12/31/2018		
	350,509	175,254	\$ 15.05	12/31/2019		
William Kamer						
	386,667	0	\$ 21.00	10/30/2016	61,562	\$ 1,021,929
	152,117	0	\$ 21.87	12/31/2017		
	224,186	74,728	\$ 11.42	12/31/2018		
	77,112	38,556	\$ 15.05	12/31/2019		

(1) Our options become exercisable when they vest. Unvested options having an expiration date of December 31, 2018 vest on December 31, 2011. Unvested options having an expiration date of December 31, 2019 vest one-half on December 31, 2011 and one-half on December 31, 2012.

(2) Unvested LTIP Units vest as follows: (a) for Mr. Emmett, 1,647 vest on December 31, 2011 and 554 vest on December 31, 2012; (b) for Messrs. Kaplan and Panzer, 105,098 vest on December 31, 2011, 77,734 vest on December 31, 2012 and 59,277 vest on December 31, 2013; and (c) for Mr. Kamer, 25,887 vest on December 31, 2011, 19,868 vest on December 31, 2012 and 15,807 vest on December 31, 2013. The value is based on the closing price of our Common Stock of \$16.60 on December 31, 2010, at the rate of one share for each LTIP Unit.

Option Exercises and Equity Vested

None of our named executive officers exercised any stock options during the year ended December 31, 2010. The following table sets forth the LTIP Units held by our named executive officers that vested during 2010:

Name	Number of LTIP Units Vested (1)	Value Realized on Vesting
Dan A. Emmett	3,882	\$ 61,865
Jordan L. Kaplan	301,885	\$ 4,925,466
Kenneth M. Panzer	301,885	\$ 4,925,466
William Kamer	98,347	\$ 1,613,678

(1) Amounts represent market value as of the vesting of the award, based on the closing price for our Common Stock on the date of vesting of the LTIP Units at the rate of one share for each LTIP Unit.

Potential Payments Upon Termination or Change of Control

The section below provides information concerning the amount of compensation payable to each of our named executive officers in the event of termination of such executive's employment, including certain estimates of the amount that would have been paid on certain dates under what we believe to be reasonable assumptions. However, the actual amounts to be paid out can only be determined at the time of such executive's termination.

Payments Made Upon Termination

Regardless of the manner in which any of our employees (including any of our named executive officers) is terminated, the employee is entitled to receive certain amounts due during such employee's term of employment. Such amounts include:

- any unpaid salary from the date of the last payroll to the date of termination;
- reimbursement for any properly incurred unreimbursed business expenses; and
- unpaid, accrued and unused personal time off through the date of termination.

In addition, the officer will retain the following rights:

- any existing rights to indemnification for prior acts through the date of termination; and
- any options and LTIP Units awarded pursuant to our 2006 Plan to the extent provided in that plan and the grant or award.

The awards we have made under the 2006 Plan provide that if a participant's (including any of our named executive officers who have unvested options or LTIP Units) employment is terminated without cause by us or for good reason by the participant, or if our Common Stock is no longer publicly traded following a change of control, then any unvested options or LTIP Units will immediately vest.

Mr. Emmett. Mr. Emmett does not have any contractual severance arrangements on termination, except that under the terms of our standard agreements, Mr. Emmett's unvested options and LTIP Units would become vested if his employment is terminated without cause by us or for good reason by him, or if our Common Stock is no longer publicly traded following a change of control. As a result, based on our Common Stock closing price on December 31, 2010, we estimate that the approximate value of these severance payments in the case of a termination without cause or with good reason immediately following December 31, 2010 would have been approximately \$115,066.

Messrs. Kaplan, Panzer and Kamer. As noted above under "—Principal Compensation Agreements and Plans—Employment Agreements," each of Messrs. Kaplan, Panzer and Kamer has an employment agreement with us. In addition to those payments made upon termination noted immediately above, these agreements provide for the following additional benefits on certain terminations:

Payments Made Upon Termination by Us Without Cause or by the Officer for Good Reason. If we terminate Messrs. Kaplan, Panzer or Kamer's employment without cause or if the officer terminates his employment for good reason, he will receive severance equal to (a) compensation equal to three (two in the case of Mr. Kamer) times the average of his total compensation over the last three full calendar years ending prior to the termination date, including (i) his salary, (ii) his annual bonus and (iii) the value (based on the Black-Scholes value in the case of options and the value of the underlying grants in the case of LTIP Unit awards) of any equity or other compensation granted or awarded to him (we note that most of these grants are in lieu of annual bonuses); and (b) continued coverage under our medical

and dental plans for him and his eligible dependents for a three-year period (two-year period for Mr. Kamer) following his termination. Under the applicable employment agreements for Messrs. Kaplan, Panzer and Kamer, good reason includes a termination by the officer within 18 months after the occurrence of a change of control. In order to receive such severance, the officer must execute a release of all claims and comply with the remaining confidentiality and non-solicitation provisions of his employment agreement.

Based on the compensation paid, and the grants of options and LTIP Units, in 2008, 2009 and 2010, and using medical insurance premiums and the price of our Common Stock as of December 31, 2010, we estimate that the approximate value of these severance payments and benefits in the case of a termination without cause or with good reason immediately following December 31, 2010 would have been \$18,519,114 for Mr. Kaplan, \$18,490,118 for Mr. Panzer and \$3,428,814 for Mr. Kamer. In addition, the unvested option and LTIP Units of each executive would vest immediately, which we estimate would result in additional value of \$6,050,156 for Mr. Kaplan, \$6,050,156 for Mr. Panzer and \$1,468,790 for Mr. Kamer based on the price of our Common Stock as of December 31, 2010.

Payments on Termination following a Change of Control. As noted above, under the employment agreements for Messrs. Kaplan, Panzer and Kamer, good reason includes a termination by the officer within 18 months after the occurrence of a change of control. As a result, on any such termination, the officer involved would be entitled to the same severance payment, and the same additional value for the acceleration of the unvested option and LTIP Units outlined above. Under their current employment agreements, these payments would not be grossed up to adjust for any excise taxes under Section 280G of the Internal Revenue Code.

Payments Made Upon Death or Disability. In the event of the death or disability of Messrs. Kaplan, Panzer or Kamer, the officer (or his estate) will receive continued medical benefits for him and his eligible dependents for a period of 12 months, plus a pro-rated portion of the officer's annual bonus, that he otherwise would have been paid based upon actual performance for the year and the percentage of the year that elapsed through the date of his termination of employment. Using current medical insurance premiums, we estimate that the approximate value of the continued medical benefit payments in the case of a termination for death or disability immediately following December 31, 2010 would have been \$23,056 for Mr. Kaplan, \$13,370 for Mr. Panzer and \$14,400 for Mr. Kamer.

COMPENSATION COMMITTEE REPORT

The information contained in this Compensation Committee Report shall not be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing (except to the extent that we specifically incorporate this information by reference) and shall not otherwise be deemed "soliciting material" or "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act (except to the extent that we specifically request that this information be treated as soliciting material or specifically incorporate this information by reference).

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE

Leslie E. Bider, Chairman

Thomas E. O'Hern

Dr. Andrea L. Rich

DIRECTOR COMPENSATION

Director compensation is determined by our Board, after recommendation from our Governance Committee, and is reviewed periodically as appropriate. Our executive officers are generally not involved in the discussion of director compensation except to the extent that Messrs. Emmett, Kaplan and Panzer are involved as members of our Board (but not as members of our Governance Committee). Our directors who are employees of our company or our subsidiaries are not entitled to receive additional compensation for their services as directors. Beginning in 2011, our non-employee directors will receive an annual fee of \$85,000, which increased from \$75,000 in 2010. Any or all of the annual fees may be paid in cash or in LTIP Units awarded under our 2006 Plan at the election of the director. Any LTIP Units are awarded at the beginning of each calendar year and vest on a quarterly basis over the year in question. Any non-employee director who also serves as chairman of our Audit Committee receives an additional annual fee of \$20,000, and any non-employee director who also serves as chairman of our Compensation Committee or our Governance Committee receives an additional annual fee of \$12,500, each paid in cash on a quarterly basis. Once every three years (including in 2010), we also provide each of our non-employee directors with a grant once every three years of LTIP Units equal to common stock equivalents of \$150,000, vesting over the next three years (directors elected to our Board for the first time between such grants receive a pro rata grant on election). We also reimburse all directors for their reasonable expenses.

The table below summarizes the compensation we paid to our non-employee directors in 2010 (as set forth above, this includes the full amount of each director's long term grants made every three years, even though they vest over three years):

Name (1)	Fees Earned or Paid in Cash (\$)	LTIP Unit Awards (\$) (2)	Total (\$)
Leslie E. Bider	\$ 12,500	\$ 220,011	\$ 232,511
Ghebre Selassie Mehreteab	\$ 75,000	\$ 145,002	\$ 220,002
Thomas E. O'Hern	\$ 20,000	\$ 220,011	\$ 240,011
Dr. Andrea L. Rich	\$ 12,500	\$ 220,011	\$ 232,511
William Wilson III	\$ 0	\$ 220,011	\$ 220,011

- (1) Messrs. Emmett, Kaplan and Panzer are not included in this table as they are our employees and thus receive no additional compensation for their services as directors. The compensation received by Messrs. Emmett, Kaplan and Panzer as our employees is shown in the Summary Compensation Table.
- (2) The amounts in this column represent the aggregate grant date fair value of awards made in 2010, calculated in accordance with ASC 718, under the assumptions included in Note 13 to our audited financial statements for the year ended December 31, 2010 included in our Annual Report to Stockholders. The aggregate grant date fair values in this column are equal to the individual grant date fair values of the 4,984 LTIP Units granted in January 2010 to each of Mr. Bider, Mr. O'Hern, Dr. Rich and Mr. Wilson to satisfy the portion of their annual service fees not paid in cash, as well as the 9,967 LTIP Units granted in January 2010 to each of the Board members to satisfy the triennial \$150,000 fee per director. On December 31, 2010, no non-management director held any options.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of our Compensation Committee are Leslie E. Bider, Chairman, and Dr. Andrea L. Rich. No member of our Compensation Committee is or was one of our officers or employees, or is related to any other member of our Compensation Committee or any member of our Board, or any of our executive officers by blood, marriage or adoption or had any other relationships requiring disclosure under SEC rules. None of our executive officers has served on the board of directors or on the compensation committee of any other entity that had an officer who served on our Board or our Compensation Committee.

TRANSACTIONS WITH RELATED PERSONS

Mr. Kaplan, our Chief Executive Officer, in his individual capacity, and Messrs. Emmett and Panzer, our Chairman of the Board and Chief Operating Officer, respectively, through an affiliated limited partnership and living trust, respectively, each committed \$750,000 to our institutional real estate fund ("Fund X") on the same basis as we committed approximately \$150 million and third party investors committed another approximately \$150 million. During the life of Fund X, we are entitled to certain additional cash based on committed capital and on any profits that exceed certain specified cash returns to the investors. Certain of our wholly-owned affiliates provide property management and other services to Fund X, for which we are paid fees and/or reimbursed our costs. Fund X contemplates an investment period that will end no later than October 7, 2012, followed by a value creation period of up to ten years (subject to extension under certain circumstances). With limited exceptions, Fund X will be our exclusive investment vehicle during its investment period, using the same underwriting and leverage principles and focusing primarily on the same markets as we have.

Our Code of Business Conduct and Ethics defines a conflict of interest as any situation in which a director, officer or employee has competing professional or personal interests, which could possibly make it difficult to fulfill his or her duties and responsibilities in an impartial manner. Our Code of Business Conduct and Ethics specifically requires that all of our officers, directors and employees (i) fully disclose to the appropriate parties all actual or perceived conflicts of interest and (ii) ensure that their duties and responsibilities are handled in such a manner that ensures impartiality.

Under our Code of Business Conduct and Ethics conflicts of interest involving our directors and executive officers must be approved by a majority of disinterested directors on our Board, with any interested members abstaining. If such a waiver is granted, a written authorization will be provided indicating that the individual may proceed with the proposed activity.

REPORT OF THE AUDIT COMMITTEE

The information contained in this Report of the Audit Committee shall not be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing (except to the extent that we specifically incorporate this information by reference) and shall not otherwise be deemed “soliciting material” or “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act (except to the extent that we specifically request that this information be treated as soliciting material or specifically incorporate this information by reference).

Although the Audit Committee oversees our financial reporting process on behalf of our Board consistent with the Audit Committee’s written charter, management has the primary responsibility for preparation of our consolidated financial statements in accordance with generally accepted accounting principles and the reporting process, including disclosure controls and procedures and the system of internal control over financial reporting. Our independent registered public accounting firm is responsible for auditing the annual financial statements prepared by management.

The Audit Committee has reviewed and discussed with management and our independent registered public accounting firm, Ernst & Young LLP, our 2010 audited financial statements and management’s assessment of the effectiveness of our internal control over financial reporting as of December 31, 2010. Prior to the commencement of the audit, the Audit Committee discussed with our management and independent registered public accounting firm the overall scope and plans for the audit. Subsequent to the audit and each of the quarterly reviews, the Audit Committee discussed with the independent registered public accounting firm, with and without management present, the results of their examinations or reviews, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of specific judgments and the clarity of disclosures in the consolidated financial statements.

In addition, the Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Statements on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU section 308), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the Audit Committee concerning independence. The Audit Committee discussed with the independent registered public accounting firm its independence from us and considered the compatibility of non-audit services with its independence.

Based upon the reviews and discussions referred to in the foregoing paragraphs, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2010 filed with the Securities and Exchange Commission.

AUDIT COMMITTEE

Thomas E. O’Hern, Chairperson

Leslie E. Bider

Ghebre Selassie Mehreteab

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

For 2009 and 2010, our independent registered public accounting firm was Ernst & Young, LLP, an Independent Registered Public Accounting Firm. The following table presents fees for professional services rendered by Ernst & Young LLP for 2009 and 2010:

	2009	2010
Audit Fees	\$ 901,000	\$ 946,000
Audit-Related Fees	\$ 0	\$ 0
Tax Fees (1)	\$ 782,000	\$ 581,000
All Other Fees	\$ 0	\$ 0

(1) Tax fees include fees principally incurred for assistance with tax compliance matters.

Audit Committee Authorization of Audit and Non-Audit Services

Our Audit Committee has the sole authority to authorize all audit and non-audit services to be provided by the independent registered public accounting firm engaged to conduct the annual audit of our consolidated financial statements. In addition, our Audit Committee has adopted pre-approval policies and procedures that are detailed as to each particular service to be provided by the independent registered public accounting firm and require our Audit Committee to be informed of each service provided by the independent registered public accounting firm. Such policies and procedures do not permit our Audit Committee to delegate its responsibilities under the Exchange Act to management.

Our Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by Ernst & Young LLP, and did so in the case of all of the fees for 2010. Pre-approval is generally provided by our Audit Committee for up to one year, as detailed as to the particular service or category of services to be rendered, as is generally subject to a specific budget. Our Audit Committee may also pre-approve additional services of specific engagements on a case-by-case basis. Our Audit Committee considered and determined that the provision of non-audit services by Ernst & Young LLP was compatible with maintaining their independence.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, as well as persons who own more than ten percent of our Common Stock, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of our Common Stock. Directors, executive officers and greater-than-ten percent stockholders are required by the SEC regulations to furnish us with copies of all Section 16(a) forms they file.

Based solely on a review of copies of Forms 3, 4 and 5 filed with the SEC and submitted to us and on written representations by certain directors and executive officers received by us that we will maintain for two years, we believe that of our directors and executive officers, as well as persons who own more than ten percent of our Common Stock, the following reports were filed late: Dan A. Emmett filed one Form 4 on December 20, 2010 reporting conversion of OP Units to shares of Common Stock on December 15, 2010, and Andrea Rich filed one Form 4 on January 24, 2011 reporting a grant of LTIP Units on January 18, 2011.

STOCKHOLDERS' NOMINATIONS AND OTHER PROPOSALS FOR 2012

ANNUAL MEETING OF STOCKHOLDERS

The deadline for submission of stockholder proposals in our proxy statement and form of proxy for the 2012 annual meeting of stockholders calculated in accordance with SEC Rule 14a-8 of is December 30, 2011.

A stockholder wishing to submit a nomination or other proposal for consideration at the 2012 annual meeting outside of SEC Rule 14a-8 is required to give written notice addressed to the Corporate Secretary, Douglas Emmett, Inc., 808 Wilshire Blvd., Suite 200, Santa Monica, CA 90401, of his or her intention to make such a proposal. The notice of a nomination or other proposal must be received by our Corporate Secretary no later than 5:00 p.m., Eastern Standard Time on December 30, 2011.

FORWARD-LOOKING STATEMENTS

This proxy statement contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to expectations concerning matters that are not historical facts. You can find many (but not all) of these statements by looking for words such as “approximates,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “would,” “may” or other similar expressions in this statement. We claim the protection of the safe harbor contained in the Private Securities Litigation Reform Act of 1995. We caution you that any forward-looking statements presented in this proxy statement, or that we may make orally or in writing from time to time, are based on beliefs and assumptions made by, and information currently available to us. Such statements are based on assumptions, and the actual outcome will be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control or ability to predict. Although we believe that our assumptions are reasonable, they are not guarantees of future performance and some will inevitably prove to be incorrect. As a result, our actual future results may differ from our expectations, and those differences may be material. We are not undertaking any obligation to update any forward-looking statements. Accordingly, you should use caution in relying on past forward-looking statements, which are based on known results and trends at the time they are made, to anticipate future results or trends.

Please refer to the risk factors under “Item 1A. Risk Factors” of our Annual Report on Form 10-K for 2010 as well as those described elsewhere in our public filings. The risks included are not exhaustive, and additional factors could adversely affect our business and financial performance. We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

OTHER MATTERS

Our Board is not aware of any matter to be acted upon at our Annual Meeting other than as described in this Proxy Statement. If any other matter properly comes before the meeting, however, the proxy holders are authorized to vote on that matter or matters in accordance with their best judgment.

ANNUAL REPORT TO STOCKHOLDERS

Our Annual Report for 2010 is being mailed to Stockholders along with this Proxy Statement. Our Annual Report shall not be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing (except to the extent that we specifically incorporate this information by reference) and shall not otherwise be deemed “soliciting material” or “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act (except to the extent that we specifically request that this information be treated as soliciting material or specifically incorporate this information by reference).

By Order of the Board of Directors,

/s/ Jordan L. Kaplan

Jordan L. Kaplan
President and Chief Executive Officer

April 28, 2011

