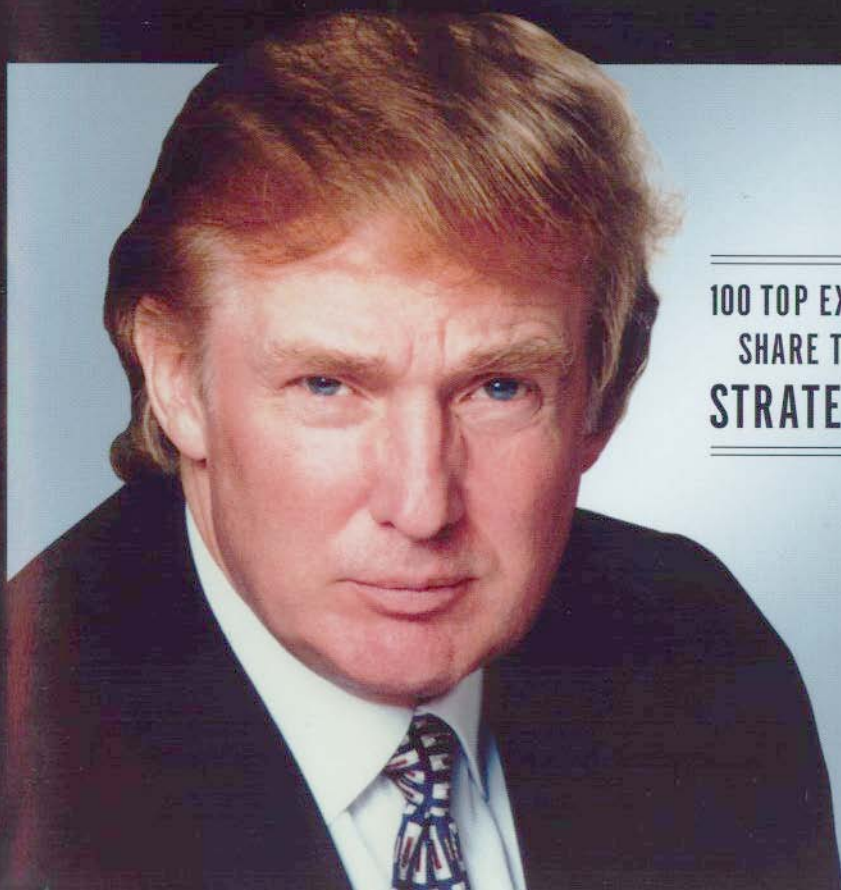




TRUMP

THE BEST **REAL ESTATE ADVICE**
I EVER RECEIVED

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100 TOP EXPERTS
SHARE THEIR
STRATEGIES

Partial List
Contributors to *The Best Real Estate Advice I Ever Received*
by Donald J. Trump

Roger Barnett

Roger Barnett is chairman and CEO of Shaklee Corporation, a natural nutrition company, and founder of Beauty.com.

Thomas J. Barrack, Jr.

Thomas J. Barrack is chairman and CEO of Colony Capital, a private international real estate investment firm.

Steve Bollenbach

Steve Bollenbach is president and CEO of Hilton Hotels Corporation.

Robert Boykin

Robert Boykin is CEO of Boykin Lodging Company, a New York Stock Exchange real estate investment trust specializing in hotels.

Pace Cooper

Pace Cooper is president and CEO of Cooper Companies, a Memphis-based hotel company that operates 21 hotels in nine states.

Lester Crown

Lester Crown is chairman of Henry Crown and Company, an investment firm whose holdings include stakes in Maytag, the New York Yankees, and real estate.

Thomas J. Hutchison, III

Thomas J. Hutchison is CEO of CNL Hotels & Resorts, Inc., one of the nation's largest real estate investment trusts in the lodging industry.

Craig King

Craig King is president of J. P. King Auction Company, the nation's most successful auction company marketing luxury real estate.

Leonard Lauder

Leonard Lauder is chairman of The Estee Lauder Companies, Inc. He is also a charter trustee of the University of Pennsylvania and chairman of the Whitney Museum of American Art in New York City.

Stephen Leopold

Stephen Leopold is chairman of William B. May International, the oldest name still operating in New York real estate (www.wbmayre.com). He also founded Leopold Property Consultants in Montreal in 1977, one of the largest companies in North America representing tenants only.

Terry J. Lundgren

Terry J. Lundgren is chairman, president, and CEO of Federated Department Stores, Inc.

John Mack

John Mack is chairman and CEO of Morgan Stanley.

Bernie Marcus

Bernie Marcus is cofounder of Home Depot and chairman of the Marcus Foundation.

Richard Meier

Richard Meier is a partner of Richard Meier & Partners Architects LLP. His projects include the Getty Center in Los Angeles and the Barcelona Museum of Contemporary Art. His many honors include the AIA Gold Medal from the American Institute of Architects and the Praemium Imperiale from the Japanese government.

Enrique Norten

Enrique Norten founded TEN Arquitectos in Mexico City in 1986 and later opened a second office in New York. He currently holds the Miller Chair at the University of Pennsylvania and is Eero Saarinen Visiting Professor of Architectural Design at the Yale School of Architecture.

Larry Silverstein

Larry Silverstein is president and CEO of Silverstein Properties, Inc., which controls the World Trade Center site and is planning the rebuilding of its commercial space. He is founder and Chairman Emeritus of the New York University Real Estate Institute.

Sir Howard Stringer

Sir Howard Stringer is Chairman and CEO of Sony Corporation.

Robert Taubman

Robert Taubman is chairman, president, and CEO of The Taubman Company, whose portfolio includes regional and super regional malls in major markets in the United States and internationally through the Taubman Asia subsidiary.

Jonathan M. Tisch

Jonathan M. Tisch is chairman and CEO of Loews Hotels and author of *The Power of We: Succeeding Through Partnerships*.

Scott A. Wolstein

Scott A. Wolstein is chairman and CEO of Developers Diversified Realty, a real estate investment trust which manages properties in 44 states and Puerto Rico.

Mortimer Zuckerman

Mortimer Zuckerman is cofounder and chairman of Boston Properties, Inc. He is also chairman and editor-in-chief of *U.S. News & World Report* and chairman and publisher of *The New York Daily News*.

LEAVE YOUR EMOTIONS AT HOME

LEONARD LAUDER

Leonard Lauder is chairman of The Estée Lauder Companies, Inc. He is also a charter trustee of the University of Pennsylvania and chairman of the Whitney Museum of American Art in New York City.

In 1958, I received the best real estate advice from Lester Crown, scion of the famous Crown family of Chicago. Lester was helpful to me as we were finalizing the lease for our company at 666 Fifth Avenue. He said, "Leonard, if you ever invest in real estate, promise me that you won't become emotionally involved with the property." "Why?" you may ask. Lester knew that if your emotions were involved, you would likely lose money. He is very wise, and I have always followed his sage advice.

FIND A NEED AND FILL IT

STEPHEN LEOPOLD

Stephen Leopold is chairman of William B. May International, the oldest name still operating in New York real estate (www.wbmayre.com). He also founded Leopold Property Consultants in Montreal in 1977, one of the largest companies in North America representing tenants only.

I remember eating Raisin Bran at the age of five. There were never enough raisins in it, so I added more raisins. Decades later, the marketing geniuses at Kellogg's figured out that they needed "two scoops of raisins" in their Raisin Bran. I, along with millions of other kids, had known this a quarter century earlier. And I wasn't even in the first grade!

The same kind of common sense applies to real estate consulting and has a lot to do with how I became chairman of William B. May International, Inc., a commercial real estate brokerage in New York with a boutique approach. When I started in the business, it was clear to me that every

part of the leasing process in an office building was geared to the advantage of the landlord. Real estate brokers listed a landlord's space and gave the landlord their expertise, even though the landlord was already a real estate expert. The party needing expertise and sophisticated real estate services was the tenant. And so, thirty years ago, I formed a company unique in North America that represented *only* tenants of office space.

In ten years we became a dominant force in the industry with a professional staff of more than one hundred, including eight full-time in-house lease lawyers. We were doing more business than any other broker with Trizec Hahn, then the largest publicly traded real estate company in North America. A magazine article written about me quoted a Trizec senior vice president: "To say that Leopold defended the interests of tenants in their negotiations with landlords would be an understatement. Leopold brought the intellectual equivalent of tanks, artillery, and aircraft carriers to the tenants' side of the table."

This tenant power that I developed first brought me to New York to represent Celanese, now Hoechst Celanese, the company for which 1211 Avenue of the Americas had been built. Originally called the Celanese Building, it is now known as the News Corporation Building (as in Rupert Murdoch).

ACT WHEN AN OPPORTUNITY PRESENTS ITSELF

I represented Celanese in the Murdoch transaction, and during the negotiations, I had occasion to visit a law firm in the World Trade Center. As a Canadian new to New York at the time, I assumed every office complex in North America had a major food court, just as they do in Montreal, Toronto, Calgary, and Vancouver. Naturally this meant that if I was in the largest office complex in the world, I would be about to visit the largest food court in the world. I was salivating at the thought of entering a facility that would make the culinary selections available at Faneuil Hall look like a peewee baseball team in comparison to the New York Yankees. And so I tapped a security guard on the shoulder and asked, "Where is the food court?"

He told me there was none.

I figured he must be new on the job. But to my astonishment, I discovered that he was correct.

No longer five years of age, I used my Raisin Bran theory. Instead of counting on someone else to add the extra raisins, I added my own raisins and leased approximately two acres of space within the World Trade Center to create the world's largest food courts. Financing for the project was secured only six months prior to September 11, 2001, based on an assumed all-in cost of just under \$20 million. Soon afterward, the project was valued on a food-only basis at close to \$70 million. And alcohol sales—when the food courts

turned into evening or weekend bar and entertainment facilities—would add another \$70 million. I sold my stake in the project and was settling in to retire in Lake Tahoe, awaiting payments based on initial food and beverage sales. Site preparation had already begun. Then 9/11 came along.

AVOID CONFLICTS OF INTEREST

And so I find myself back in New York staring at a box of Raisin Bran, which once again does not have enough raisins. And yet again people are asking me, “Why hasn’t anybody done *this* before?”

Once again, the *this* responds to gaping real estate needs. Something is wrong when tenants take space in a building at the urging and counsel of a real estate broker who works for the same brokerage company that has a pre-existing and ongoing contract to act as that building’s marketing and managing agent. Major incentives have been built into the building broker’s marketing contract to do everything imaginable to obtain the *absolute best deal* in every single leasing transaction for the landlord. This, folks, is easier to figure out than “two scoops of raisins.” Can you imagine a law firm representing both plaintiff and defendant in the same case, in the same courtroom, on the same day? Yet in real estate it is considered normal to represent a tenant’s best interests by “negotiating” with a landlord whom the broker is representing all year long.

Utterly preposterous, yet until recently the market for office leasing advisory services in New York conspicuously lacked a high-grade boutique offering that would put an end to this state of affairs. It had no Harry Winston or Rolls-Royce of office leasing, no Allen and Company or Michael Steinhart.

William B. May is the most venerated name in the annals of New York commercial real estate, and the firm has been in business longer than any other New York real estate company. For more than 140 years, it has served many of New York’s most prominent leaders. Most important, we have discarded all conflicts of interest by representing only the tenant in office leasing transactions. This matters to a client. Just as a well-managed, single-minded hedge fund nearly always outperforms a run-of-the-mill mutual fund, the right kind of real estate representation quickly reaches the bottom line.

CHOOSE ONE SIDE

Real estate is one of the last great bastions that permit genuine entrepreneurship, so go ahead and put up your shingle. I have just one last piece of counsel, however. You will wish to avoid something that the late, great Senator Sam Ervin always used to talk about. I was reminded of this story recently by Gene Boyce, who was one of the three interviewers in the famous session when the Watergate

tapes were discovered. I served with him as an investigator in 1973 on Sam Ervin's Watergate Committee. This happened to one of Senator Ervin's shadier classmates early in his career, when he was fresh out of law school. An older woman who had a legal problem visited Sam's classmate one day in his brand-new office in North Carolina, and she asked his advice. Sam's classmate gave her his advice, and she rose and started to go out of his office. He said, "Wait a minute, ma'am. You owe me five dollars."

"For what?" she asked.

He said, "For my advice."

And she said, "Well, I ain't gonna take it."

Take this advice: if you avoid the ethical swamp that comes with playing both sides of the office leasing street (or both sides of any street in the great republic of business), you'll never run into the equivalent of that woman in Senator Sam Ervin's story.