

DISTRESSED CORPORATE & COMMERCIAL REAL ESTATE FORUM 2003

Strategic Restructuring, Partnerships and Divestitures to Transform Distressed Real Estate Assets

- June 30th – July 1st, 2003-Boston, MA
 - July 30th – 31st, 2003-San Francisco, CA
- Venues to be Announced**
- Discover the best possible way to reduce the effects of tenant bankruptcies
 - Get up to date on the new SFAS 146 accounting rules and understand how to successfully use it to benefit your company's bottom line
 - Evaluate the important considerations prospective sublandlords and subtenants need to take into account prior to entering a sublease
 - Analyze the taxation issues involved in reorganizations and workouts for distressed real estate: How to avoid cancellation of debt income
 - Determine the best alternative solution(s) to writing off excess real estate assets
 - Master the basic structures and potential risk sale/leaseback transactions
 - Identify the best strategies and solutions to unwinding synthetic leases

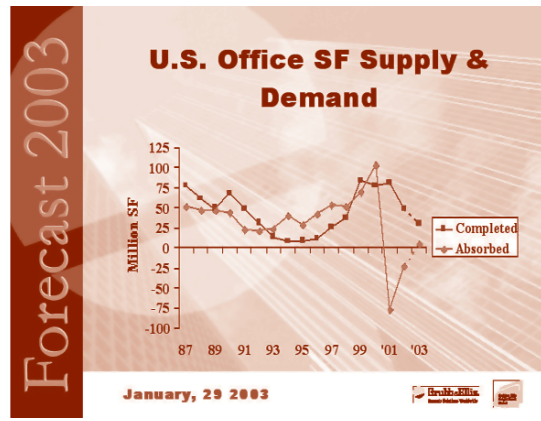
Plus! Don't Miss the Value-added Practical Post Conference Workshop led by Mr. Steven Adelskoff, Partner, Kirkpatrick and Lockhart and Ethan Nessen, Principal, CRIC Capital.

Strategies for Credit Tenants to Monetize Commercial Real Estate

Media Partners:

Featuring Case Studies & Top Level Insights from these Leading Companies:

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 - GERBSMAN PARTNERS
 - CUSHMAN & WAKEFIELD
 - GOLDMAN SACHS
 - CRIC CAPITAL, LLC
- And more!**



Who Should Attend

Whether you are a seasoned professional or a newly promoted real estate executive, you're always looking for new and better ways to manage your real estate assets. This in-depth conference has been carefully designed for those who recognize that the most important decisions they might ever make are those regarding strategies for controlling and monitoring risks associated with managing the complexities of stressed and distressed real estate assets. You can't afford to miss this conference if you are a:

- **Commercial or Corporate Tenant**
- **Leasing Agent**
- **Property Manager**
- **Commercial or Corporate Real Estate Broker**
- **Landlord/Owner**
- **Leasing Agent**
- **Financing Professional**
- **Corporate counsel/attorney**
- **Consultant**
- **Developer**

Dear Real Estate Executive:

When slow economic times hit, corporate profit margins are pinched, consumers hunker down, employees are downsized and the number of commercial and corporate real estate vacancies rise.

The retrenching dot-coms and downsizing corporations, is making this economic downturn painful for both tenants and property owners of office space. The era of corporate reengineering and reinventing has introduced cost-cutting initiatives across all business units. Cost management has also realigned corporate real estate objectives. As the national office vacancy rate continues to climb upward, reaching nearly as high as 17.5%, what strategies do you have in place to combat the growing financial burden of excess real estate on your balance sheet?

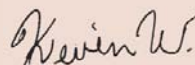
World Research Group is proud to bring you the ***CRE Forum 2003: Strategic Restructuring, Partnerships and Divestitures to Transform Stressed and Distressed Real Estate Assets*** in two separate venues: June 30th-July 1st, 2003 in Boston and July 30th-31st, 2003 in San Francisco. Hear up-to-date information from industry leaders on Distressed Real Estate including such topics as:

- Tailoring your options to unload excess office space
- Evaluating the Sectors that are in Distress – Opportunities for Real Estate Owners/Financiers
- Analyzing the Growing Financial Burden of Unused/Excess Office Space and Reviewing the Options Available for Companies Facing Such Dilemmas
- Slowing Economy Leads to Rise in Subleases: What You Need to Know When Considering to Commit to One
- How to Reduce the Financial Impact of Tenant Bankruptcies
- Interpreting SFAS 146
- Maximizing Enterprise Value for Technology Companies with Prohibitive Real Estate Lease
- Evaluating Taxation Issues Involving Reorganizations and Work Outs for Distressed Real Estate

Don't miss our special comprehensive post-conference workshop:
Strategies and Solutions for Unwinding/Exiting Synthetic Leases and Monetizing CRE Property Assets Using Sale/Leaseback Transaction Techniques

Register now and be one of the first to reserve your seats for this all-important event. And don't forget to take advantage of the early registration in order to save up to \$300 off the regular conference price. Simply call 1-800-647-7600 by May 23rd, 2003 and save! In the mean time, if you have any questions regarding the agenda, please feel free to contact me directly at 646-742-9763, ext. 61 or via e-mail at Kevin@worldrg.com. I look forward to seeing you in Boston and San Francisco.

Sincerely,



Kevin Willington
Vice President-Finance Division
World Research Group

TO REGISTER, PLEASE CALL 1-800-647-7600 OR

DAY ONE

8:00 *Conference Registration and Continental Breakfast*

9:00 **Welcome and Chairperson's Opening Remark**

Steven J. Adelfkoff

Partner

KIRKPATRICK & LOCKHART, LLP

9:15 **Distressed Real Estate Market Forecast 2003: A Look Ahead**

Most commercial real estate brokers describe the current state of the commercial real estate market as "challenging". Retailers took a beating in 2002, and their future prospects are not rosy. Layoffs and bankruptcies further weakened office market demand, with most companies throwing back space for sublease. In this insightful introductory session, the distinguished speakers will talk about what is ahead for the CRE market.

- The bad news: we're a lagging indicator
- U.S. office supply and demand
- U.S. office vacancy/sublease
- Office rent change 2003
- The good news: real estate investment market
 - Investment returns by asset class
 - Annualized returns-10 years
- Problem commercial RE loans
- Capitalization rates
- Office investment in major markets
- Office \$/sf in major markets
- Office cap rates in major markets

Robert Bach

National Director, Market Analysis

GRUBB & ELLIS (Boston and San Francisco Speaker)

Ross Moore

Vice President, USA Director of Research

COLLIERS INTERNATIONAL (Boston Speaker)

10:00 **Evaluating the Sectors that are in Distress – Opportunities for Real Estate Owners/Financiers**

In this session, our speakers will focus on specific industry types and their unique challenges with distressed real estate.

- Telecom Sector
- Retail Sector
- Hotel Management
- Analyzing the reality behind the national rise in foreclosures
- Identifying the reasons to the causing of today's distressed opportunities
- What impact will changing interest rates have on the market?

Gary H. Sherman

Managing Director

EURISTATES

David Arena

Managing Director

JONES LANG LASALLE (tentative)

Phillip Montgomery

President

P.O'B. MONTGOMERY & COMPANY (Boston Speaker)

10:45 *Coffee Break and Informal Networking*

11:00 **Shutting the Lights off to Your Office: Analyzing the Growing Financial Burden of Unused/Excess Office Space and Reviewing the Options Available for Companies Facing such Dilemmas**

In the late 1990s technology companies, law firms and Dot.com companies throughout the country went on a binge acquiring real estate and signing multi-million dollar leases. The assumption was that their growth rate would steadily increase with no signs of slowing down. As the economy slowly staggered, so too did their prospects of growth. The hundreds of companies bloated with long-term leases and obligations are currently facing the ill effects of such surplus directly on their earnings. This session will discuss various options available companies that expanded rapidly, and are now facing the issue of mitigating the cost of surplus properties.

- Assessing whether writing off is the easiest and best way to deal with excess real estate
- Examining the benefits of donating the building as an alternative to writing it off
- Determining whether filing for chapter 11 is the strategy for you
- Refitting your built-to-suit office space to accommodate other tenants for maximum earnings return on your company's bottom line

James Kuhn

President

NEWMARK & CO. REAL ESTATE, INC.

A CASE STUDY AND STRATEGY:

11:45 **Tailoring Your Options to Unload your Excess Office Space: Given Your Company's Unique Needs, What You as an Corporate Owner/Tenant Can Do to Get Maximum Yield to Your Current Real Estate Obligations**

In 2002 we saw the U.S. economy slow down considerably, and looking at the forecast for 2003, outlook is not so positive. This has caused many companies to undergo massive layoffs and cutbacks. The result: millions square feet of office space sitting empty. But many companies have come up with creative solutions to their problems. This includes creating the right deal with the right partner. "Sweetening the deal often makes the difference in this market, which has no shortage of prospective buyers." (CFO Magazine)

- To sell or not to sell to a developer: Determining local and state political elements involved in the transitioning of a property that once represented a significant employment for the particular community
- Taking matters into your own hands: negotiating developments to rebuild an unused plant for multiple-tenant commercial use
- Assessing the environmental impact of rebuilding an unused commercial space:
 - Traffic
 - Noise
 - Air quality
- Case Study

J. Michael Dow

President & Chief Executive Officer

CRESA PARTNERS LLC

12:30 *Luncheon for Speakers and Delegates*

1:45 Slowing Economy Leads to Rise in Subleases: What You Need to Know When Considering to Commit to One

- Assessing the issues a prospective subtenant should understand
 - Prime lease termination
 - Incorporation of prime lease
 - Landlord consent issues
- Evaluating the important considerations for prospective sublandlords
 - The “assignment/subletting” clause
 - The options clause
 - The “permissible use” clause
- Primary liability
 - Acting as a middleman
 - Ensuring the payment of rent
 - Incorporation of Prime Lease

Stanley L. Iezman

President and Chief Executive Officer

AMERICAN REALTY ADVISORS

2:30 Analyzing the Effects of Tenant Bankruptcies: How to Reduce its Impact

“The number of tenant bankruptcies is rapidly increasing – and no matter how financially sound your tenants seem at the start of the lease, there is no guarantee they won’t become part of this trend. So it is important to take all possible steps to protect yourself. Once a tenant files for bankruptcy, bankruptcy laws control what you can collect from the bankrupt tenant or its court-appointed trustee and what it can do with the tenant’s lease. As a result, you could end up losing a lot of money or having to deal with an undesirable third party in the tenant’s space.” (Brownstone Publishers)

- Call decline in tenant’s net worth a lease default
- Get Tenant’s financial information on request
- Get sufficient security
- Avoid a cash security
- Don’t link letter of credit to rent demand
- Make tenant pay improvement costs
- Make lease rejection a default
- Restrict assignments

James Holden, Esq.

BALLARD SPAHR ANDREWS & INGERSOLL

Michael P. Richman

Partner

MAYER, BROWN, ROWE & MAW

3:15 Coffee Break and Informal Networking

3:30 SFAS 146: The Newest Pain When Exiting an Operating Lease

In an effort to toughen the old accounting rules, under which companies were required to account for unused space only when they developed a so-called facility exit or disposal plan, the FASB has implemented SFAS 146, which supercede EITF 94-3. As the economy slows down and the amount of unused office space rises throughout the country, how will the new rules affect your company’s bottom line? Many of the nation’s largest companies believe SFAS 146 to be one of the greatest problems facing corporate America for 2003. Does your company have a strategy in place to minimize potential write-offs as it contemplates closing offices? In this session you will learn about the new accounting rules dealing with accounting for costs associated with exit or disposal activities, including recognizing liabilities for exiting oper-

ating leases, as well as mean to mitigate the liabilities.

Steven J. Adelfoff

Partner

KIRKPATRICK & LOCKHART, LLP

4:30 Day One Concludes

DAY TWO

8:30 Continental Breakfast

9:00 Chairperson’s Opening Remarks

9:15 Maximizing Enterprise Value for Technology Companies with Prohibitive Real Estate Leases

- Terminating/restructuring prohibitive real estate executory contracts
- Strategy and action plan for communicating with landlords
- Managing the process among Board members, lawyers, landlords, senior lenders, management and advisors
- How to “Drive” towards successful closure for all parties at interest

Steven R. Gerbsman, Principal

Gerbsman Partners

TECHNOLOGY RECOVERY GROUP

10:00 Investor Strategy Session: Looking for Relative Value in the Distressed Real Estate Market—What Investors and Owner/lessees Need to Know

As the U.S. economy slows, consumers are getting cautious, while businesses jittery investors are downright worried. What does this mean for commercial real estate?

Like everything else in the real estate business, it depends on location, location, location.

- Short time financing options
- How are financing providers faring in this market?
- Why should investors find the distressed real estate financing so attractive?
- Evaluating the different kinds of deals being done today
- Joint Venture financing/equity
- Is mezzanine financing available?

Janice M. Stanton

Managing Director

CUSHMAN & WAKEFIELD

Robert Foley

Vice President

GOLDMAN SACHS

10:45 Informal Networking and Coffee Break

A SPECIAL CASE STUDY SESSION:

11:00 “Profiting from Distressed Properties: Market Analysis and Tenancing Strategies Help Turn Around an Industrial Investment”

Turning around a distressed property can be a lucrative, albeit risky, investment for commercial real estate professionals. This case study examines how one CCIM used in-depth market analysis and skilled asset management to turn a struggling industrial property into a high-performing investing in Austin, Texas.

Dale Curry

Acquisitions Manager-Real Estate

TEXAS GENERAL LAND OFFICE (TENTATIVE)

12:00 **Evaluating Taxation Issues Involving Reorganizations and Work Outs for Distressed Real Estate**

- How to avoid cancellation of debt income (“COD”) in real estate workouts
- Unexpected tax consequences of guarantees and releases from guarantees
- Allocating COD among partners
- Preserving tax attributes for future use after a workout

Martin Allen

Partner

KIRKPATRICK & LOCKHART

12:45 *Conference Concludes*

Optional Post Conference Workshop

12:45-1:30 *Workshop Registration*

1:30 *Workshop Begins*

Strategies for Credit Tenants to Monetize Commercial Real Estate

With investors demanding financial transparency, and broad sweeping changes in accounting rules over the last year, Corporate America has been caught between the proverbial rock and hard place when making fundamental decision about its real estate financing and occupancy needs. Many corporations have taken losses on their books as a result of unwinding synthetic lease deals. The CMBS market has all but dried up as a source for financing. Replacing those financing vehicles with cost effective monetizations has proved challenging. This innovative workshop will provide detailed guidance from industry leaders on the newest techniques in monetizing corporate real estate. Topics include:

- Supply/Demand Outlook for Asset Backed Capital
- Analyzing Accounting Issues For Real Estate Financing
- Who is funding deals and who is out of the market
- Getting Back to Basic Sale/Leaseback Structures
- Using Joint Venture Transactions to Enhance Monetization
- Mezzanine Financing Techniques as an Enhancement
- The Newest Ideas for Monetizing Commercial Real Estate – Forward Purchase Agreements and Beyond.

Steven J. Adelfoff

Partner

KIRKPATRICK & LOCKHART

Ethan Nessen

Principal

CRIC CAPITAL, LLC (Boston Speaker)

Media Partners



Presents:

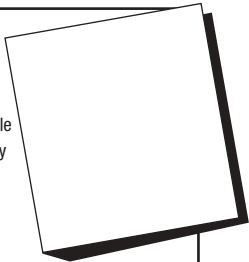
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June 30th – July 1st, 2003-Boston, MA • July 30th – 31st, 2003-San Francisco, CA • Venues to be Announced

DOCUMENTATION BINDERS AND CD-ROMS:

If you are unable to attend the conference or you would like extra copies for your colleagues, you can order your conference documentation binder and/or CD-Rom today. Don't miss out on the valuable information presented by industry leaders exclusively at this event. The binder or CD-Rom is available for only \$350; \$450 for both. Add \$50 for international shipments. The binder includes overheads, articles and presentations. Simply fill out the order form and the binder and/or CD-Rom will be shipped to you 2 weeks after the conference occurs.



WRG Research, Inc.
500 West Cummings Park, STE 5200
Woburn, MA 01801

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Registration Information:

EARLY REGISTRATION (Before xxxxxx):

Conference ONLY: \$xxxxx

Conference and workshop: \$xxxxx

REGULAR REGISTRATION (After xxxxxxx):

Conference ONLY: \$1695

Conference and workshop: \$2195

Fee includes continental breakfast, lunch, refreshments, and conference documentation. Please make checks payable to WRG Research, Inc.

ON-SITE REGISTRATIONS:

A \$100 charge will be added to registrations taken at the event.

TEAM DISCOUNT – Register 3 team members from the same organization at the same time and the 4th team member attends **FREE!** (Valid on full price registrations only.)

PAYMENT POLICY / SUBSTITUTIONS / CANCELLATIONS:

Registration fees must be paid by xxxx, 2003. Your registration may be transferred to a member of your organization up to 24 hours in advance of the conference. All cancellations received on or before xxxxxx, 2003 will be subject to a \$195 administrative charge. We regret that no refund for cancellations will be made after this date. In case of conference cancellation, World Research Group's liability is limited to refund of the conference registration fee only. World Research Group reserves the right to alter this program without prior notice. All cancellations must be submitted in writing on or before 14 days prior to the conference date in order to receive a refund, minus cancellation fee.

DRESS: Business casual is recommended attire.

CONFERENCE VENUE:

Sponsorship & Exhibit Opportunities

Don't miss out on this opportunity to showcase your products and services to executives at the highest levels of xxxx. Your competitors will be networking and selling their services to this targeted group, shouldn't you? For more information on sponsoring a Lunch, Cocktail Reception, Breakfast, Welcome Pack or Badges, please contact **Aron Barkan** at **646-742-9763 ext.35** or **aron@worldrg.com**.

Registration Card

Please photocopy this form for multiple registrations.

- Yes! Please register me for the CORPORATE REAL ESTATE SUMMIT 2003**
- Also register me for the Workshop
- I would like to take advantage of the early-bird discount by registering before xxxxxx.
- I cannot attend. Please send me a Conference Documentation Binder. Please send me the CD-Rom. Please send me both.
- Please send me future information via e-mail

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Payment Options: Payment in full is required to process registration

- Enclosed is a check for payment in full (No personal checks accepted)
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5 Easy Ways to Register



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