

PR: Welcome to CPE TV. I'm Paul Rosta; our guest today is Alan Levy the chairman of Tishman International who is speaking to us today from Bulgaria. Thank you for joining us Alan. I understand that you have some interesting assets in that region that you're involved with. Could you tell us a little about them?

ADL: Sure. Our first project was a small, about a 15,000 sq. ft. building for TNT the courier service near the Sophia airport, and that is their hub for this region. It's a smallish type building, but again it was built to a western standard so that they could operate the same way for the sending/receiving. The clerical stuff that they had as well as the dispatching of the parcels. We then found a site a little closer to the airport that was very intriguing. We bought this site, two minutes literally from the new Sophia airport that was being built. Had it rezoned, re-master planned for about a million eight sq. ft. of mixed used office, warehouse, logistics, and hotel operation, and our goal was to create a western style, urban-suburban, feel for an office park with lots of grass, lots of trees, open areas, we have a lake, so it is a very inviting atmosphere. And with the amenities that don't exist in the central business district or other parts of Bulgaria, or even Sophia particularly, that have been over built to some extent in so far as urban development where you don't the amenities of the fresh air. So it has been very successful in providing the type of buildings that a western style tenant would recognize as offering amenities that they would have back in their home country. We have league certification for our office building, it is the only other building in Bulgaria with the exception of American Embassy building, which is about four years old, it is leed certified. So, given the importance today of eco-development we find that to be very attractive as the prospective tenants and the target tenants that we start to talk with.

PR: Well, as an executive experienced in this region, what do you see as the most important challenges to providing these U.S. and western services?

ADL: Traditionally, in parts of Europe the tenants have been responsible for the operation and maintenance of their own premises. Unlike in America, as you know where we have full service as the operations, the land lord takes care of everything and gets passed on as part of the escalation in the building with the rent. Here many office buildings were built and sold floor by floor or space by space rather than leased and those that were leased the tenants still had that responsibility. Unfortunately, there are no effective condominium laws in Bulgaria, which would allow a tenant organization or a home owners association so to speak for commercial to enforce payment of the charges for the common areas. So if you have a high rise office building with elevators and all the other amenities and central air conditioning instead of the when those services need to be furnished there is nobody to administer it. So our concept was to operate our project at least a bit of a show case with a full service operation so the tenants can see it's one stop shopping they don't have to worry about having a cleaning contract, a window washer, a penny for their own service security etc. etc. And we operate it on a very transparent basis. Some of the developers in Bulgaria have the reputation of charging a service charge of x amount of money to the tenants to provide a plethora of services, which generally they didn't provide it entirely or not to a very high standard and they would pocket some of the money themselves so

the tenants became very wary of that process. It's difficult quite frankly to get some of the Bulgarians how that works because they have been living under the old system for so long, so by using this as a show case the Bulgarian tenants we have understand it. They've been telling their friends and something with time and patience I think we'll become more usual in Bulgaria.

PR: I've been speaking with Tishman International Chairman, Alan Levy who joined us today from Bulgaria, and for CPE TV this is Paul Rosta