

2009 Commencement Ceremony – Mishawaka High School

Date: May 30, 2009, 4:00 p.m.

Guest Speaker: Thomas J. Hutchison III, Chairman of Legacy Real Estate Group

Bio Introduction: Thomas J. Hutchison III is a distinguished graduate of Mishawaka High School from the class of 1959, celebrating his 50th reunion this year. Most recently, Mr. Hutchison formed and launched yet another specialized real estate company called Legacy Real Estate Group, bringing more than 35 years experience focused in the lodging, hospitality, real estate development and financial services industries. He previously held executive positions for CNL Financial Group, Inc. and its \$23 billion family of real estate companies. Under his leadership, CNL Hotels & Resorts grew from \$250 million to \$7.2 billion during a seven-year period before the company was sold to Morgan Stanley in 2007. Mr. Hutchison was responsible for transforming the start-up hotel REIT into the second largest and most distinctive lodging ownership companies in the country, acquiring such resorts as the Grand Wailea Resort Hotel & Spa in Maui, the Arizona Biltmore Resort & Spa in Phoenix and the Ritz-Carlton and JW Marriott at Grande Lakes in Orlando. Mr. Hutchison also led more than \$3.8 billion in acquisitions through his tenure at CNL Retirement Properties, culminating in the sale of the company for \$5.3 billion, as well as holding prior roles as chairman and CEO of Atlantic Realty Service, Inc. and TJH Development Corporation and president and CEO of General Development Corporation (NYSE), Murdock Development Corporation and Murdock Investment Corporation, dating back to 1978. Mr. Hutchison published a chapter in Donald Trump's latest book, *The Best Real Estate Advice I Ever Received* and a chapter on Authentic Leadership in *Goals for Successful CEO's*. Mr. Hutchison currently serves as a Director for KSL Capital Partners LLC, ClubCorp, Inc., U.S. Chamber of Commerce, Hersha Hospitality Trust, Vision360, and The Trinity Forum. He is also a member of The Real Estate Roundtable, Leadership Council for Communities in Schools, Advisory Council of the Erickson School of Aging Studies and serves on the Advisory Editorial Board of GlobalHotelNetwork.com. Mr. Hutchison was educated at Purdue University and the University of Maryland Business School.

Congratulations to the Class of 2009, and thank you to Dr. Marzotto, faculty, staff and parents of Mishawaka High School for this privilege to come back to my hometown and share a few insights with this outstanding graduating class.

Students of Mishawaka High School, 50 years ago I sat where you sit now and I thought exactly what you are thinking:

- What's going to happen to me?
- Will I find my place in the world?
- How soon can I get my hands on a new BM

I have to admit, commencement speeches are some of the most challenging I have ever had to prepare. After all, if I remember correctly, each senior is thinking to themselves, “This old guy at the podium is all that stands between me and a good party.” Believe me, between my wife and me, we have raised seven children of our own and so far six of the seven, have graduated from college; four from Duke University. I totally get it, and promise to try to share something useful this afternoon.

I graduated in 1959 with 409 classmates. We walked down some of the same hallways and cheered at the same football field. It was the first year of the newly enlarged gymnasium; we had a first place baseball team; and in my junior year, the basketball team went to the state finals and lost to Crispus Attucks in the final game. I had the challenge of guarding Oscar Robertson.

Just to give you some perspective of the past 50 years, here are a few milestones that took place when I sat in those seats:

- The first pictures of earth taken were taken from a U.S. unmanned spacecraft; two weeks ago, we had a number of routine spacewalks fixing the old Hubble telescope.
- Two monkeys, named Able and Baker, became the first living creatures to survive a space flight, lasting 15 minutes;
- Fidel Castro was sworn in as the prime minister of Cuba;
- The U.S. Grammy Music Awards were started; and
- The Barbie Doll was created.

The Vietnam War, the civil rights era, the Cold War, cellular phones, enhanced global communications, the internet. These were the challenges of my generation.

But your generation – your generation is being challenged in a way that we never could have imagined back in 1959... challenged by total globalization and a much deeper connection to the rest of the world, thus creating focus on many, many diverse opinions and platforms and a whole set of new challenges.

You were born into a generation as comfortable with globalization as you are with blogging, YouTube, MySpace, Facebook, texting on your I-Phone, and my personal favorite, Ebay. These are the defining characteristics of this generation, this new century and a new world.

Each generation is put to the test. Each generation in this country – when faced with challenges – has always risen to the occasion and made our country proud.

Today is a call to action. Globalization is no ordinary force, and this is no ordinary time. In this new global movement, our nation and the great state of Indiana are on the front lines.

Did you know...

- That in 10 years, it is predicted that more people will be speaking English in China than the U.S?
- And that India and China will each have three times more college graduates per year than the U.S., exceeding a combined 6.4 million graduates?

Did you know...

- That 34 babies are born every 8 seconds in the world.
- 70% of 4-year-olds have used a computer?
- And today's 21-year-olds have logged 20,000 hours of TV; 10,000 hours of video games; talked 10,000 hours on the phone; and sent or received 250,000 emails. Probably all old news to you, but amazingly different for me.

Did you know...

- That that the amount of technical information is doubling every 2 years, and by 2015, it's expected to double every 72 hours?

It's going to be a few years before any of you are CEOs of a national or international corporation, but it won't be long before you're competing for a job with folks in Peru and Ireland or many countries of the world.

My hope is that you approach the challenges of globalization just like those of my generation, as we embraced the call to place a man on the moon. We dream big as Americans, and we do great things when we're put to the test.

Today, you are facing a huge test in our economy. For the first time in years, the job market has narrowed, but will start to grow again over the next 24 months.

My dad, who graduated from MHS in 1934, knew that education would be the key to my future. My parents made sure I finished my homework. They worried if I came home late, which happened more than a few times. They cheered me on when I did well in track or basketball. They always told me to work hard. And they were both extremely proud of me the day I graduated from Mishawaka High School. They have been equally proud of the many awards and positions I have attained. In fact, my 93-year-old mother wanted so badly to be here today to support me.

I am living proof that a kid from Mishawaka, Indiana, can grow up to be anything he or she wants to be. From my very first job working on a farm in the summer to making my first million at the age of 32... if I can do it, so can you. But that doesn't mean it will be easy. It takes hard work and tremendous commitment, and I want to share a few things that I feel are useful reminders as you embark on this next exciting chapter in your life...

#1) A consistent character. Whatever you do, start out with great character – have high ethics, uncompromising morals and unquestioned values. Always do your best to apply this in both your personal and business experiences as you go through every day of your life.

#2) Always keep learning. Your high school graduation marks more than academic achievement. You have now spent a few years dreaming about the freedoms and privileges of being an adult, and your education will launch you wherever you want to go.

But don't let your education end today. I hope you'll think of education as lifelong learning. In a world as connected as ours, you must always strive to keep learning and developing your skills and interests that you're passionate about. Pay attention to the global world – read, listen, talk, participate. Much different than when I started out, you'll have far less time to learn and evaluate on a daily basis. Stay focused.

Whatever form it may take, the education you receive will help propel you to anywhere you choose to go – anywhere or anything you put your mind to. Make sure whatever it is, you will be able to look back on it with great pride. And we need you. Our nation needs you. We need great leaders for our future.

3) Embrace the power of relationships. For me, longstanding relationships have been the lifeblood of my success, both personally and professionally.

From your very first day on the job, you must assume that each and every person you touch has the potential to become one of the biggest assets in your career. Trust me, you cannot have too many people in your corner, especially today, in this global fast moving world. Network with your allies and your competitors, there should not be a distinction between them.

Over the past several years, some of my company's most pivotal and profitable transactions were initiated by a phone call and dinner among friends.

A small, typical example: A few years ago while attending the Super Bowl in San Diego, my wife and I were staying at the Hotel del Coronado, and I said to her "I think we should buy this resort some day." At the time, I needed a great iconic hotel for a cover photo on my company's annual report. That conversation took place January 2004. And before the property was even placed on the market, we made it a reality and purchased it in December of the same year, using it on the cover of our 2004 annual report. We bought the hotel for \$400 million and sold it two years later for \$645 million.... a wonderful example of the underlying strength of great business relationships that were built over many years.

I knew the representative of the pension fund owner, the CEO of the then resort management company and from doing business in prior years; they trusted my word – keeping your word throughout life is everything.

Looking back, I reflect on the fair and honest dealings that have transpired... and the wealth that was produced on *both* sides of the table. And the common denominator is clearly the power of enduring relationships, not necessarily a fierce desire to win big as there does not have to be a loser in each transaction.

The innovations of online technology, emails and online social media certainly have their place, but know that the warmth of a handshake and the face-to-face interactions are absolutely essential to building meaningful friendships and long standing mutually respected relationships.

4) The importance of listening. I'm sure your teachers can appreciate this one, and I have to admit it gave me a significant advantage throughout my career. You have to train yourself to be a great listener, evaluate your first reaction, challenge your intellectual strength, and above all, trust your conscience. When I listen to my business associates, I intently listen with three things: my brain, my heart, and my gut. The hard part is to understand which of these impulses is ultimately driving my decisions, but when you follow this path, it will become obvious when needed.

From listening to your new boss to sharing your point of view with colleagues, consistency is an essential component of leadership. It's important to be consistent in your approach and consistent in your character. There is simply no room for arrogance; you need to listen intently to those around you and serve as an example to truly inspire people – walking the talk.

5) The best is yet to come. As far as advice goes, I most often find myself saying, "Don't look back." We should spend our time and talent looking forward, always with a vision toward the future. Learn from the past, but do not dwell there. You will not be perfect at every turn or with every decision, but hopefully at least 75

percent of the time, but never 100 percent. It's not realistic and that constant drive for perfection can be an ineffective use of energy. I have always hired the brightest in the business and then conduct business the best that I can... but to err is human and you are more effective as a leader when you accept imperfection from yourself and those around you.

Yes, I've made plenty of mistakes along the way. You learn from each of them and they make you stronger. In short, if you can have a consistent character, keep learning, build meaningful relationships, be a great listener, stay in the present and give back... you will have mastered the things that have enriched my life beyond belief. And having a strong faith in my creator has been of primary importance to me.

All of us here today – graduates, parents, friends and family – are embarking on one of the most exciting times in history. These times will certainly test us, but I know we will collectively step up to the challenge.

Just as our nation has risen to the challenges of terrorism, we must rise to the challenge of globalization by ensuring each of us and our great nation succeeds.

Will you be this kind of leader? Will you step up to the challenge? All of my years in business lead me to conclude that leaders who step up, even if they lose a few battles along the way, are the ones who succeed and who make the difference in our world. You don't need to be handsome or beautiful, powerful or strong. You just need to be yourself and lead in your own way with your unique qualities and capabilities.

Practice your values every day. People observe how you act, not what you say.

Lead with your heart, not just your head. Have passion for your work, have compassion for the people you encounter along the way, and have the courage to go in a different direction at times.

Build those long-term, enduring relationships. When you get to be my age, I think you'll find that the longstanding friendships are the ones you really treasure the most.

And have the self-discipline to get results. All these other qualities won't matter if you do not exhibit the discipline to achieve results.

Congratulations my fellow MHS graduates and thank you. May God bless your path as he has blessed mine.