



NEWS RELEASE

Media Contact: Emily Heidt
310-689-7537

WATT COMMERCIAL BREAKS GROUND ON \$14 MILLION SHOPPING CENTER REDEVELOPMENT IN HARBOR CITY, CALIFORNIA

Existing stores to remain open during construction; upgrades expected to be complete in November, 2010

SANTA MONICA, Calif. (February 17, 2010)— Watt Commercial Properties, a leader in developing, redeveloping and managing community shopping centers in urban markets throughout the Southwest, officially broke ground today on a \$14 million redevelopment effort at the nine-acre Palo Woods shopping center in Harbor City, California. Redevelopment plans include converting the existing Kmart building into two separate retail spaces and creating two new 3,000 square-foot retail pads that will front Sepulveda Boulevard.

Watt Commercial Properties has already secured leases for the separate retail spaces in the Kmart building. Ross Dress for Less will commence a 10-year, 29,105 square-foot lease agreement. And L.A. Fitness, which operates over 300 clubs across the United States, will initiate a 10-year lease and occupy 44,775 square feet in the center. The center will also offer two 3,000 square-foot retail pads, which are currently on the market for lease.

This \$14 million redevelopment plan is the most significant upgrade to the 107,682 square-foot center since it was built by Watt in the mid-1960's. Façade treatments for the existing 24,000 square-foot Fallas Parades building and adjoining retailers will complement the rest of the project, and the parking lot, landscaping, signage and lighting on the site will also see significant improvements. Watt expects the entire project to be complete in the third quarter of 2010.

"We are thrilled to make this investment at Palo Woods, and to provide Harbor City residents with an enhanced shopping experience," said Watt Commercial Properties President Susan Rorison. "We've added two new quality tenants, and are confident that we will lease the remaining 3,000 square-foot pads by the time we are done with these improvements," she said.

The Palo Woods project is the first of many redevelopments Watt Commercial Properties is moving forward with in 2010. These redevelopment projects have two goals: add value to the communities where the centers are located, and enhance the company's portfolio in the process.

Wilson Commercial Real Estate (WCRE), the largest landlord representative retail leasing firm in the Southern California marketplace, provided leasing advisory services for all deals at the Palo Woods shopping center.

"Ross Dress for Less and L.A. Fitness are outstanding anchors for the Palo Woods Center," said Chris Wilson, President of WCRE. "I am confident that these national retailers will increase both traffic and interest in our center and encourage additional leasing activity in the surrounding market. This is a win-win for Watt and the Harbor City community."

-more-

2-2-2

About Watt Commercial Properties

With over two million square feet of core retail space in 39 shopping centers located largely in Southern California, Watt Commercial is a leader in developing, redeveloping and managing neighborhood and community shopping centers in urban markets. Most of Watt's centers are grocery and drug store-anchored and include a strong mix of independent, regional and national chain retailers. Watt Commercial is a division of Watt Companies, a diversified real estate company that, over the past 60 years, has developed over eight million square feet of industrial and office space, and built more than 50 shopping centers, homes for over 100,000 families, three first class hotels and six major master-planned communities.

Watt Commercial is aggressively pursuing additional acquisitions within its core product type of neighborhood and community shopping centers. For submittals and more information regarding our existing portfolio, please call Susan Rorison at (310) 314-2434.

#