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\$14 MILLION OVERHAUL OF PALO WOODS SHOPPING CENTER COMPLETE; HARBOR CITY RESIDENTS, LOCAL OFFICIALS CELEBRATE GRAND REOPENING

LA Fitness, Ross Dress for Less and Chase are new tenants in revitalized center

SANTA MONICA, Calif. (December 10, 2010)— Nearly ten months after breaking ground on a top-to-bottom overhaul of the Palo Woods Shopping Center, executives from Watt Commercial Properties joined with city officials, tenants and other local business leaders this morning to mark the completion of a \$14 million redevelopment encompassing the entire nine-acre commercial property in Harbor City, California.

Watt Commercial Properties, a leader in developing, redeveloping and managing community shopping centers in urban markets, converted the facility's existing 77,000 square-foot Kmart building into two separate retail spaces and is in the process of developing two new retail pads to front Sepulveda Boulevard. Watt's renovation also included upgrades to façade treatments for the adjoining retailers as well as significant improvements to the parking lot, landscaping, drainage and lighting on site.

Today's grand opening also initiated two new leases with Ross Dress for Less and L.A. Fitness to occupy the divided Kmart Space. Ross Dress for Less commenced a 10-year, 29,105 square-foot lease agreement in November and L.A. Fitness, which operates over 300 clubs across the United States, now occupies 44,000 square feet in the shopping center and is due to open by the end of the year. Wilson Commercial Real Estate (WCRE), the largest landlord representative retail leasing firm in the Southern California marketplace, represented Watt in the Ross and LA Fitness lease deals.

Watt recently signed a 5,000 square-foot ground lease with Chase Bank for one of the two new retail pads on site as well. Chase plans to open in October, 2011. Watt is also finalizing a new lease deal with a quick-service restaurant for a portion of the other 3,300 square-foot pad. With existing retailers Fallas Paredes, Payless Shoes, Courtesy Cleaners and Tandoori Bistro Café, the shopping center is expected to be fully leased by the end of the year.

"Today's grand opening is a wonderful sign of rebirth," said Jim Maginn, CEO of Watt Companies. "This morning, we are celebrating not just the completion of a substantial redevelopment, but the creation of new jobs, a great and productive use in our center, and terrific new retailers for the shoppers in this region. Our investment combined with the new leases have helped bring value to the community and positioned the shopping center for success in the decades to come."

"The Los Angeles County Board of Supervisors applauds Watt Commercial for investing in Palo Woods and breathing new life into an important gathering spot in the heart of our community," said County Supervisor Mark Ridley-Thomas. "At a time when few are investing in new development or renovations, Watt followed through on their commitment to bring new quality retailers and an enhanced shopping experience to West Carson. And we are pleased with the results."

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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 Chris Wilson at (310) 694-3185.

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