



NEWS RELEASE

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**WATT COMMERCIAL CLOSES 14 LEASE DEALS IN FOUR MONTHS;
SANTA MONICA-BASED FIRM FILLS 168,000 SF OF RETAIL SPACE**

SANTA MONICA, Calif. (February 1, 2010)— Watt Commercial Properties, a leader in developing, redeveloping and managing community shopping centers in urban markets, has executed eight new leases and renewed six existing lease contracts with retailers since October 2009. In all, these lease deals comprise approximately 168,000 square feet of space in neighborhood shopping centers across Southern California.

“At Watt Commercial, we are committed to bringing retailers to our centers that will not only improve the value of the property, but contribute to the welfare of the communities where they are located,” said Watt Commercial Properties President Susan Rorison. “We are thrilled to establish new relationships with such quality retailers who will truly enhance their surrounding communities. Our strong renewal volume also reflects our desire to cultivate long-term relationships with our tenants by readily identifying and addressing their needs.”

Highlights include:

- Watt signed new leases with Ross Dress for Less and L.A. Fitness at their Palo Woods retail center, which will undergo a major redevelopment before re-opening in the fourth quarter of 2010. The 110,000 square-foot urban retail redevelopment is located at the intersection of Sepulveda Blvd. and Vermont Ave. in Harbor City, California, and includes the conversion of an existing K-Mart building and the construction of two new retail pads. When the center opens its doors, Ross Dress for Less will commence a 10-year, 29,105 square-foot lease agreement, valued at approximately \$5.7 million. L.A. Fitness will initiate a \$16.2 million lease deal and occupy 44,000 square feet in the center.
- In January 2010, Watt signed a 15-year, \$19.5 million lease with L.A. Fitness for a 58,645 square-foot space in its Alicia Towne Center at the corner of Alicia Parkway and the I-5 in Mission Viejo, California. The privately-owned health club chain is expecting to open at this location in the fourth quarter 2010. The future tenant will convert the former two-level, 83,857 square-foot Mervyn’s Department Store into a state-of-the-art, full-service fitness club that encompasses 70,000 square feet. L.A. Fitness will be located primarily on the first floor, with a portion of the facility occupying second-level space.
- Watt also inked a deal with AJWright for 25,000 square feet at Norwalk Plaza, a Northgate Supermarket-anchored retail center located at Firestone Blvd. and Pioneer Blvd. in Norwalk, California. The 10-year lease, valued at over \$2 million, will commence in March 2010. This AJWright location will be the first of the chain’s newly-formatted stores to open in Southern California. The retailer will occupy a portion of a former Circuit City outlet, with plans to remodel the exterior of the building consistent with the company’s new building prototype. Like its sister company T.J Maxx, AJWright specializes in selling clothing, gifts, footwear, accessories and

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fragrances at steep discounts. The company has approximately 129 AJWright outlets across the country.

Chris Wilson, President of Wilson Commercial Real Estate (WCRE), represented Watt in these highlighted deals and provided advisory services on all others. WCRE is the largest landlord representative retail leasing firm in the Southern California marketplace.

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.

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