

LEGACY BUILDINGSSM SET NEW STANDARD WITH 32' CLEAR HEIGHTS



LEGACY BUILDINGSM 207



LEGACY BUILDINGSM 711

Watson Land Company has completed two new Legacy BuildingsSM, one 177,400 square feet and the other 242,900 square feet, that incorporate enhanced design features with minimum 32 foot clear heights, abundant skylights, thicker floor slabs and a host of energy saving components for maximizing operational efficiency and functionality. The buildings

set new industry standards by adding more cubic space and providing thousands of dollars in energy savings. "The old standard for industrial building clear heights was 30 feet. Sophisticated racking and material

"With a 32' clear height, we provide our customers with greater cubic storage capacity."

Kirk Johnson
Vice President
of Real Estate
Operations

handling systems are now available to take advantage of the added functional space," notes Kirk Johnson, Vice President of Real Estate Operations for Watson Land Company. Launched in 1998,

the Legacy Building SeriesSM is highly regarded for architecturally distinctive appearances, generous landscaping setbacks and flexible configurations to accommodate office, technology, manufacturing or distribution uses. They have also earned the "Savings by Design" designation from Southern California Edison.

TREK BICYCLES EXPANDS WITH NEW LEASE

Watson Land Company recently leased a 40,175 square foot facility to Trek Bicycles in the Watson I-15 Business Center in Rancho Cucamonga. "Watson's master planned center and Customized Service ProgramSM provided an attractive location to expand our operations," said John Burke, President of Trek. "We support a vast network of dealers throughout Southern California who look to us to deliver our products on time. Here we can manage our inventory and focus on our business

while Watson takes care of routine building maintenance." Trek is the world leader in bicycle products and accessories with 1,300 employees worldwide and 1,500 dealers in the United States. Some of their sponsored riders include Lance Armstrong and the United States Postal Service team, who have ridden Trek bicycles to three straight Tour de France victories. "Trek is a leading brand in cycling and a great entrepreneurial success story," said Kirk Johnson, Vice President of Real Estate Operations for Watson Land Company. Robert Pontello of Merit Commercial Real Estate represented Trek in the lease transaction.



(from left) Tom Huston, Director of Leasing and Asset Management, Watson Land Company, Christ Konyon, Assistant Warehouse Manager, Trek Bicycles, Ed Pier, Warehouse Manager, Trek Bicycles and Lance Ryan, Director of Leasing, Watson Land Company.

CHAIRMAN RECEIVES SERVICE AWARD

Watson Land Company Chairman William T. Huston recently received special recognition from the Los Angeles Economic Development Corporation (LAEDC). At their annual Eddy Awards ceremony, where excellence in economic development is celebrated, Huston was honored for his long-term commitment, involvement and membership with LAEDC. "As one of our founding members, Bill was instrumental in getting LAEDC off the ground and continues to be an invaluable asset for economic development in Los Angeles," commented Lee Harrington, President of LAEDC.

(from left) Los Angeles County Supervisor Michael D. Antonovich with Watson Land Company Chairman William T. Huston at LAEDC Eddy Awards.



WATSON SUPPORTS CARSON MARIACHI ASSOCIATION

Sponsored by the Asociacion Cultural de Carson (Carson Cultural Association), a mariachi education program has been launched to teach Carson youth about Mexican culture, language and traditions. Thanks to a number of dedicated volunteers, local organizations, the City of Carson and Watson Land Company, youngsters are participating in after-school

instruction in guitar, trumpet, violin and voice. The structured classes are taught at the Carson Community Center by the Mariachi Heritage Society. "Through hard work, discipline and tremendous parent and community support, the Youth Mariachi group has delighted many audiences at community events," commented Pilar Perry, Vice President of Public Affairs for Watson Land Company.



Members of the Carson Mariachi Association recently performed at the City of Carson Unity Day celebration.

SCHOLARSHIP PROGRAM CELEBRATES 20TH YEAR

Watson Land Company recently celebrated their scholarship program's 20th year by awarding three \$4,000 scholarships to three local high school students.

Kaisha Ansley from the California Academy of Math and Science in Carson, **Sonya Rhodes** from Banning High School and **Lester Alitagtag** from Carson High School were all recognized for their academic achievements and participation in a number of campus and community organizations.

"Our scholarship program encourages young people to fulfill their educational goals and prepare them for being productive members of our community," comments Pilar M. Perry, Vice President of



(from left) Scholarship recipients Kaisha Ansley, Lester Alitagtag and Sonya Rhodes.

Public Affairs for Watson Land Company. Kaisha now attends the University of Southern California, Sonya is attending the University of California – Los Angeles and Lester attends California State University - Long Beach.

WATSON EMPLOYEE RECOGNIZED FOR JUNIOR ACHIEVEMENT INVOLVEMENT

Watson employee Sue DenBeste was recently recognized for her volunteer efforts in leading a Junior Achievement class at Catskill Elementary School in Carson. "I really enjoy working with the kids. Their positive energy and excitement when I come to the classroom is contagious," commented Sue, or Ms. DenBeste, as the 20 third graders call



Sue DenBeste with third grade class at Catskill Elementary School in Carrson.

her. Titled "Our City," the program teaches young people to value free enterprise, business and entrepreneurial spirit. "It is a fun program for the students and makes them more aware of their surroundings by exploring the different businesses, jobs and zoning areas that exist in a city," explains Pilar Perry, Vice President of Public Affairs for Watson Land Company.

WATSON IN THE NEWS
is published by

WATSON LAND COMPANY

Corporate Headquarters

515 South Figueroa
Los Angeles, CA 90071
(213) 891-9900 Telefax (213) 891-2999

Regional Office

22010 South Wilmington Avenue
Carson, CA 90745
(310) 952-6400 Telefax (310) 522-8788

www.watsonlandcompany.com

WILLIAM T. HUSTON
Chairman

Richard M. Cannon
President and Chief
Executive Officer

Bruce A. Choate
Senior Vice President
Chief Financial Officer

Bradley D. Frazier
General Counsel and
Corporate Secretary

Kirk R. Johnson
Vice President
Real Estate Operations

Gerald C. Weeks
Vice President
Construction, Development
and Energy

Pilar M. Perry
Vice President
Public Affairs

Jeffrey R. Jennison
Vice President
Real Estate Asset
Management

Jefferson E. Hill, Jr.
Vice President
Acquisitions

Roger E. von Ting
Controller

Burr B. Baldwin, Jr.
Director
Real Estate Asset
Management

Thomas W. Huston
Director
Leasing and Asset
Management

Lance P. Ryan
Director of Leasing





WATSON IN THE NEWS



www.watsonlandcompany.com

SPRING 2002

SIT 'N SLEEP COMES TO REST IN LEGACY BUILDINGSM

- Popular television and radio advertiser relocates to Carson

Watson Land Company has signed Sit 'n Sleep to a five year lease for 80,759 square feet in Legacy BuildingSM 710 at Dominguez Technology Center. Sit 'n Sleep will relocate its corporate headquarters and main distribution center from Montebello to

"Our new Legacy BuildingSM is very attractive and gives us an ideal corporate headquarters location."

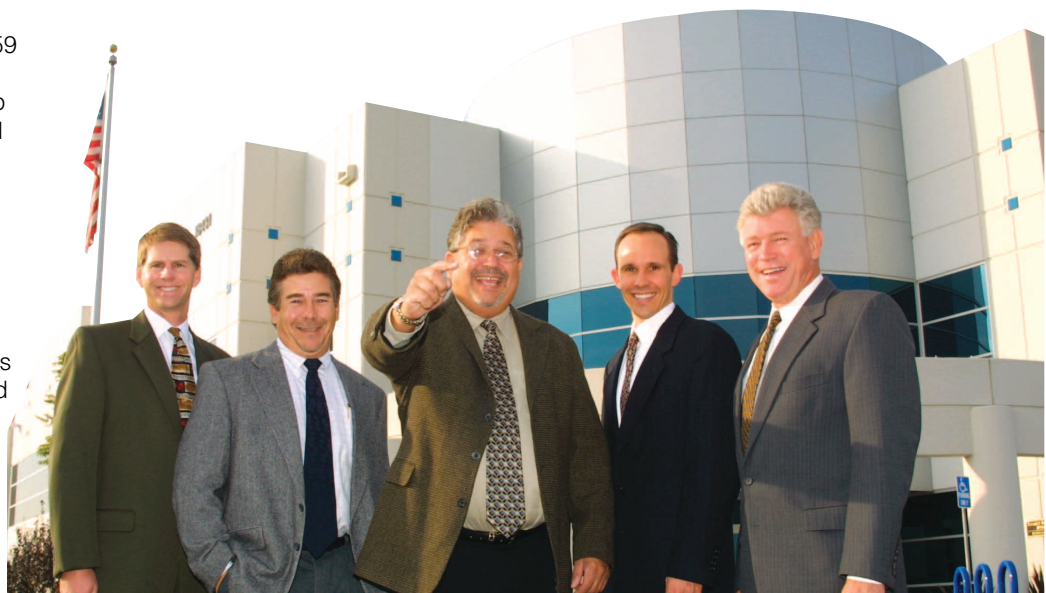
**- Larry Miller
President,
Sit 'n Sleep**



Miller founded the company in the 1960's as a convertible sofa franchise. Today, Miller

and Nelson Bercier continue at the helm of this premier Los Angeles family-owned business and employ 150 people in 10 locations. "Sit 'n Sleep is a distinctive Southern California brand and a tremendous addition to our roster of topflight national

and international customers," said Kirk Johnson, Vice President of Real Estate Operations for Watson Land Company. Jim Dionne of Dionne Partners represented Sit 'n Sleep in the transaction.



(from left) Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Nelson Bercier, Vice President, Sit 'n Sleep, Larry Miller, President, Sit 'n Sleep, Lance Ryan, Director of Leasing, Watson Land Company and Jerry Weeks, Vice President of Construction, Development and Energy, Watson Land Company.

2.4 MILLION SQUARE FEET LEASED IN 2001

Watson Land Company closed 2.4 million square feet of new lease and renewal transactions in 2001 with a variety of companies, mirroring the diversity of the region's economy. "A look at the companies that executed leases with us offers a snapshot of the types of businesses that form the foundation of our economy - from food, manufacturing and entertainment to transportation, technology and materials distribution," observes Kirk Johnson, Vice



"We are seeing firsthand the mix of industries that are important to the Southbay and Los Angeles County economies."

**Kirk Johnson
Vice President
of Real Estate
Operations**

President of Real Estate Operations for Watson Land Company. "They value our

Boeing, executed lease renewals extending their space commitments.

master planning, appealing office space and efficient warehouse facilities." Watson's Legacy BuildingsSM continue to be well-received in the market as evidenced by the three new leases with Sit 'n Sleep, Santa Monica Seafood and L3 Communications. Additionally, many of Watson's current customers, including Pioneer Electronics, Warehouse Entertainment and Boeing, executed lease renewals extending their space commitments.

SANTA MONICA SEAFOOD SIGNS LONG TERM LEASE IN LEGACY BUILDINGSM



(from left) Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Jerry Walsh, Chief Operating Officer, Santa Monica Seafood, Richard Smith, Director of Operations, Santa Monica Seafood and Art Rasmussen, CB Richard Ellis.

Watson Land Company has signed Santa Monica Seafood Company to an eight year lease for 60,700 square feet in Legacy BuildingSM 657 at Dominguez Technology Center. Santa Monica Seafood Company is consolidating its distribution network at this location. The company

Seafood Company. The company has been in business more than 60 years and today employs more than 200 people. "Santa Monica Seafood Company is a

"The exterior glass and architectural detail of our Legacy Building is very appealing."

Gerald Cigliano
President
Santa Monica
Seafood

previously operated two distribution centers in Santa Monica and Orange. "Quick delivery is critical to our business; being close to LAX is essential to receiving our imported products timely," said Gerald Cigliano, President of Santa Monica

respected and enduring Southern California business," said Kirk Johnson, Vice President of Real Estate Operations for Watson Land Company. Art Rasmussen of CB Richard Ellis represented Santa Monica Seafood in the transaction.

BARTHCO INTERNATIONAL RELOCATES TO WATSON INDUSTRIAL CENTER SOUTH

Watson Land Company has leased a 104,267 square foot building in Watson Industrial Center South to Barthco International, Inc., an international logistics company. Barthco International, Inc., a customs-house broker and third party logistics corporation, will relocate its operations from Rancho Dominguez to the new

facility. "The site of this facility is extremely convenient for a high-volume company such as Barthco International and gives them expansion opportunities," notes Kirk Johnson, Vice President of Real Estate Operations. Uri Rodan of ANR represented Barthco in the transaction.

"Watson's extensive governmental relationships were very helpful in setting up our operations."

Jack Ercolani
Vice President
Barthco
International, Inc.



(from left) Lance Ryan, Director of Leasing, Watson Land Company, Byren Mejia, Warehouse Manager, Barthco International, Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Dan Clark, Construction Manager, Watson Land Company and Sandy Koty, Assistant Vice President, Barthco International.

ABB INC. SIGNS FIVE YEAR LEASE



(from left) Jerry Gilman, Collier's Seeley, George Gorney, Senior Production Engineer, ABB, Inc., Roberta Jackson, Operations Manager, ABB, Inc., Bror Edwards, Regional Manager, ABB, Inc., Tom Huston, Director of Leasing and Asset Management, Watson Land Company.

Watson Land Company has leased 30,000 square feet in Watson Industrial Center South to ABB, Inc., a worldwide manufacturer of electrical breakers and transformers. "ABB is a strong and valuable addition to the businesses and industries represented at

"Watson provided us a better building, a better value and a better landlord."

Bror Edwards
Regional Manager
ABB, Inc.

Watson Industrial Center South," noted Tom Huston, Director of Leasing and Asset Management for Watson Land Company. Jerry Gilman of Collier's Seeley represented

ABB in the transaction.

GRILEY FREIGHTLINES JOINS LIST OF VALUED CUSTOMERS



(from left) Lance Ryan, Director of Leasing, Watson Land Company, Brian Griley, President, Southern Counties Express, Burr Baldwin, Jr., Director of Real Estate Asset Management, Watson Land Company, Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Hank Walker, Sales Manager, Griley Freightlines, Don Smith, Lee & Associates, Don Griley, President, Griley Freightlines and Gary Bedrosian, Vice President of Sales, Southern Counties Express.

Watson Land Company has leased a 103,185 square foot building in Watson Industrial Center South to Griley Freightlines, one of the region's leading logistics companies, for ten years. "Our master planned centers offer distribution companies such as Griley a great location with easy connections to the region's major transportation networks," noted Kirk Johnson, Vice President of Real Estate Operations for Watson Land Company.

"The building's flexible design allows us to expand our current services while remaining close to the Los Angeles and Long Beach ports," said Brian Griley, Vice President, Griley Freightlines, Inc. Griley and their affiliate, Southern Counties Express, have been serving the transportation industry since 1948 and provide public warehousing, distribution, intermodal transloading and drayage services throughout Southern California. Don Smith of Lee & Associates represented Griley in the transaction.

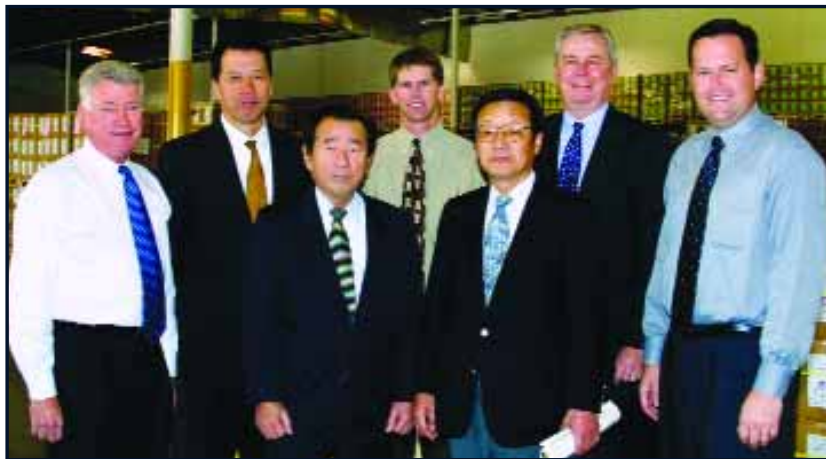
"The master planned center provides us a great headquarters location."
Brian Griley
Vice President
Griley
Freightlines

MARUZEN OF AMERICA SIGNS LEASE

Watson Land Company has leased a 70,860 square foot building in Watson Industrial Center South to Maruzen of America, a Los Angeles-based logistics company. "Our new building offers us abundant cubic storage, coupled with a large secure truck courtyard, which is critical to the efficiency of our operations," said A.A. Miyamoto,

"The experience of Watson's management team is evident in the thoughtful design of the building and the speed at which we consummated the transaction."
A.A. Miyamoto
President
Maruzen of America

President, Maruzen of America. Founded in 1974, Maruzen of America is a wholly-owned subsidiary of Maruzen Showa Unyu Co., Ltd. of Japan. The company is one of the regions leading logistics providers offering all methods of material transportation and operates as a customs house broker. Yasushi Shiromi and Bill Griebenow of Colliers Seeley represented Maruzen in the transaction.



(from left) Jerry Weeks, Vice President of Construction, Development and Energy, Watson Land Company, Yasushi Shiromi, Colliers Seeley, A.A. Miyamoto, President, Maruzen of America, Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Tomoyuki Maeda, Vice President, Maruzen of America, Bill Griebenow, Colliers Seeley and Jeff Jennison, Vice President of Real Estate Asset Management, Watson Land Company.

CUSTOMER SURVEY RESULTS

Watson Land Company recently commissioned Kingsley Associates to conduct their 2001 Customer Survey. The goals of the survey were to measure and benchmark customer satisfaction and to assess customer needs and priorities.



The Watson Land Company Asset Management team (from left) Sherria Lawrence, Dixie McKie, Burr Baldwin, Jr., Kathy Pasillas, Jeff Jennison, Elaine Seaholm and Tom Huston.

The survey reported that Watson Land Company's customers are highly satisfied and praised the quality and upkeep of Watson's centers, the professionalism of its staff and the high level of customer service received as a Watson Land Company customer. For overall customer satisfaction, Watson scored among the top 2% of real estate companies included in the Kingsley Index.

METRO INTERNATIONAL CHOOSES WATSON INDUSTRIAL CENTER SOUTH

(from left) Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Lance Ryan, Director of Leasing, Watson Land Company, Leo Prichard, Vice President of Operations and Chief Operating Officer, Metro International, Scott Neal, Sales Manager, Metro International and Jeff Jennison, Vice President of Real Estate Asset Management, Watson Land Company.



Watson Land Company has leased a 169,040 square foot building in Watson Industrial Center South to Metro International Trade Services. "We have the benefit of an owner that provides a high level of customer service and experienced management," notes Leo Prichard, Vice President of Operations and Chief Operating Officer for Metro International Trade Services. Metro International is an

industry leader in warehousing, distribution and logistics services. And with their Foreign Trade Zone operations, they provide importers with significant cost and operational savings. "Metro International is a highly regarded leader in the logistics industry and we are proud to have them as a customer," noted Kirk Johnson, Vice President of Real Estate Operations for Watson Land Company.

NORM WILSON & SONS RECOGNIZED WITH VENDOR AWARD

Watson Land Company selected general contractor Norm Wilson & Sons as recipient of its 2001 Vendor Appreciation Award. Watson's vendor recognition program acknowledges service providers

that consistently deliver exceptional service and customer care. "We wanted the management and the employees of Norm Wilson & Sons to know that their extra efforts to ensure that we get top quality work delivered on time have not gone unnoticed,"



(from left) Jerry Weeks, Vice President of Construction, Development and Energy, Watson Land Company, Burr Baldwin, Jr., Director of Real Estate Asset Management, Watson Land Company, Kirk Johnson, Vice President of Real Estate Operations, Watson Land Company, Norm Wilson, Founder, Norm Wilson & Sons, Ron Wilson, Vice President, Norm Wilson & Sons, Randy Wilson, President, Norm Wilson & Sons, Rick Wilson, Vice President, Norm Wilson & Sons and Jeff Jennison, Vice President of Real Estate Asset Management, Watson Land Company

"Norm Wilson & Sons has shown unwavering attention to our customers through their thoughtful approach to delivering services."

Jeff Jennison
Vice President of
Real Estate Asset
Management

said Jeff Jennison, Vice President of Real Estate Asset Management for Watson Land Company.

VALUED CUSTOMER RENEWALS

Customer	Sq. Ft.	Customer Since
Autospecialty	200,892	1997
Warehouse Entertainment	198,292	1992
Logistics 2000	147,500	1999
Pioneer Electronics	136,614	1986
NACA Logistics	85,120	1993
Marukai	50,296	1999
Maxicare	39,167	1987
Chipman	30,970	1994
Intermodal Bridge Services	28,500	1998
Total Intermodal	11 acres	1997