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Watson Land Company Leases 517,346 Square Feet in the City of Redlands to Kenco Logistic Services for \$11 Million

LEED®-certified facility will serve as distribution center for major cereal company

Redlands, CA – February 12, 2009 – Watson Land Company, one of Southern California's largest industrial real estate developers, has leased 517,346 square feet within the Watson Commerce Center Redlands to Kenco Logistic Services LLC, the largest family-owned and privately-held third party logistics solutions company in the United States. The company executed a 60-month lease beginning April 2009 for a total consideration of over \$11 million.

Kenco will run the LEED-certified facility as a crossdock operation for all order fulfillment, shipping, receiving, and inventory management of Ralston Foods' Post brand cereal business. The facility, which was completed at the end of January 2009, is located at 26875 Pioneer Avenue in Redlands, Calif.

"Watson's facility melds perfectly with Kenco's commitment to operational excellence," said Andy Smith, President and Chief Operations Officer for Kenco Logistic Services. "The energy efficient features of the facility, large yard and loading capacity, plus the LEED certification, were all instrumental in helping us decide where to expand our business and will optimize the efficiency of our logistics operations."

Watson Commerce Center Redlands, a 2.5 million-square-foot, 100-acre master-planned center, is the newest addition to Watson's Legacy Building SeriesSM, a series of highly-flexible, energy-efficient Class A industrial buildings designed and constructed in accordance with the U.S. Green Building Council's LEED guidelines.

"As the first lease at Watson Corporate Center Redlands, this is certainly a significant transaction for Watson," said Lance Ryan, vice president of marketing and leasing for Watson Land Company. "The Inland Empire has proven to be an ideal location for some of the nation's leading distribution centers, warehouse and logistics firms. Kenco is exactly the type of company we knew would find value in our master-planned center and LEED-certified design."

The new Kenco facility will add up to 100 jobs in the City of Redlands and will make heavy use of the Watson Commerce Center Redlands' proximity to the San Bernardino Airport

and Interstate 10. The building features 134 trailer storage spaces, 7-inch-thick concrete floor slabs, and abundant clerestory glass, which provides ambient natural lighting and requires less energy.

Ron Washle and Mark Kegans of Grubb & Ellis represented Kenco Logistic Services in the transaction. Watson Land Company was represented by Tom Taylor, Steve Bellitti and Josh Hayes of Colliers International.

Watson Land Company

Watson Land Company's legacy extends two centuries to the Rancho San Pedro Spanish Land Grant. Today, the company is among the largest industrial developers in the nation. For additional information, visit www.watsonlandcompany.com.

Kenco Group

Kenco is one of the nation's leading third-party logistics providers (3PL) managing over 100 facilities and 23.5 million square feet of warehouse space in 28 states and Canada. Kenco's core competencies include logistic services, transportation, real estate management and material handling equipment. The Kenco family of companies includes Kenco Logistic Services, Kenco Transportation, Kenco Toyota-Lift, Kenco Management Services, and JDK Real Estate.

Kenco currently provides logistic services for many industry leading, Fortune 100 companies such as Whirlpool, GlaxoSmithKline, Cummins, and General Mills. Kenco specializes in facilities and services for the pharmaceutical, automotive, food, textile, and appliance industries.

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