



**KATZ &
ASSOCIATES**
CORPORATION

KATZ REPORT

SPRING 2009

PRESIDENT'S MESSAGE

Following months of consistently negative news, we are (at this writing) finally starting to see some positive signs. Clearly, there is still a long road ahead. Business has been stable to slightly better at several of our retail clients and our Landlord clients are finding ways to survive in an environment that is still difficult. We have tried to be selective and prudent in taking on new assignments. We've avoided making promises to reduce retailers' rents beyond levels that are likely to be achieved. We've stayed away from assignments to lease space that should never have been built. Our depth of experience from coast to coast has positioned us to be a valuable resource for retailers and developers looking for real results. We've all heard the rumors of companies that have decided not to attend RECon or to send skeletal crews. We will be there with all of our people and invite you to contact us for an appointment or stop by our booth at C1756 17th Avenue.

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DDR, FOREST CITY AND OTHERS SELECT KATZ & ASSOCIATES FOR NATIONAL LEASING ASSIGNMENTS:

Danbury, CT



Staten Island, NY



Jupiter, FL



Cleveland, OH based Developers Diversified Realty Corp (NYSE: DDR) exclusively outsourced a portfolio of 13 properties throughout FL/NC/TN to Katz & Associates, Corporation. The assets represent multiple disciplines of institutional grade leasing including a former free standing Circuit City, grocery anchored neighborhood centers and regional power strips with anchor and in-line availabilities.



Cleveland, OH based Forest City Enterprises, Inc. (NYSE: FCEA and FCEB) selected Katz & Associates as its exclusive leasing agent to merchandise outlet programs for two lifestyle centers including The Shops at Wiregrass, (Wesley Chapel, FL) and The Promenade Bolingbrook, (Bolingbrook, IL). The 800,000 sf Shops at Wiregrass is anchored by Macy's, Dillard's and JCPenney with 6 pads available for ground lease or multi tenant development. The 500,000 sf Promenade Bolingbrook is anchored by Macy's, Bass Pro Shops and Barnes & Noble (opposite IKEA and Bed Bath & Beyond) with 3 pads available for sale or ground lease.

Katz & Associates was recently hired as the exclusive agent to backfill 3 former Linens 'n Things locations and

a restaurant pad totaling 118,000 sf. The Linens 'n Things spaces represent regional opportunities encompassing a wide geography and include the following: a 48,000 sf box (Danbury, CT) with Bob's Stores along Federal Road; a 28,000 sf box (Staten Island, NY) adjacent to the Staten Island Mall with Marshall's and CVS; a 37,000 sf box (Jupiter, FL) positioned next to Home Depot along Indian Town Parkway off Interstate 95. Additionally, Katz was engaged to reposition the former Baker's Square outlet (Peoria, IL) at the entryway to the Shoppes at Grand Prairie, a 600,000 sf lifestyle center.

According to Marlon Stone, Katz's SVP Midwest Region, "Katz is a company of great depth. Given our scale and experienced personnel, we can quickly mobilize to facilitate an effective leasing program anywhere within the United States. Needless to say, we are very excited to provide third party leasing for such prestigious landlords."



The Shops
AT WIREGRASS

BRUCE B. DOWNS BLVD.

FOREST CITY
COMMERCIAL
DEVELOPMENT

RETAILERS ON THE MOVE...

SHOE CARNIVAL

Shoe Carnival will open 10 stores in the first quarter of 2009. All 10 of the new stores celebrated their Grand Openings on March 28th. The stores are located in Atlanta GA; Charlotte NC; Mathews NC; Monroe NC; Aberdeen NC; Orem UT; Washington UT; Hendersonville TN; Harlingen TX and Norman, OK. Shoe Carnival operates over 300 stores in 29 states. For further information, please contact Marty Hennessy at martinhennessy@dkatz.com.



Salonz Beauty Suites is in active negotiations to double in size overnight. Salonz is working with David Emihovich at Katz & Associates on 3 new deals in Pembroke Pines, Boca Raton and North Miami Beach. Salonz looks for 6,000 - 7,000 sf in "A" trade areas and shopping centers and will consider second floor opportunities. Salonz is a private company with 3 stores open in Palm Beach Gardens, Hollywood and Miami, FL. For further information, please contact David Emihovich at davidemihovich@dkatz.com.



Katz & Associates, in cooperation with Randy Cantrell of Northwest Retail Partners, is pleased to announce that Nordstrom, Inc., a leading fashion specialty retailer, announced it will open a 35,000 sf Nordstrom Rack, a unit of the company's off-price retail division, at The Palms at Town & Country in Kendall, FL in Spring 2010. For further information, please contact Kevin Higgins at kevinhiggins@dkatz.com.



IHOP completed 5 deals last year and is well on its way to exceed that number this year as they are taking a rather aggressive growth strategy for the Florida Market. Marty Hennessy continues to work with Ian Allen in the Orlando, Melbourne & Daytona markets. They are seeking 1 acre + outparcels to purchase. For further information, contact Marty Hennessy at martinhennessy@dkatz.com.



BJ's Restaurants, Inc. currently owns and operates 82 casual dining restaurants under the BJ's Restaurant & Brewery, BJ's Restaurant & Brewhouse or BJ's Pizza & Grill brand names. BJ's recently opened a new location in Chino Hills, CA in 2008. BJ's was represented by Jesse Rehmeier of Katz & Associates and is planning for 2 more restaurants in Southern California for 2009. BJ's is continuously looking for more locations. For further information contact Jesse Rehmeier at jesserehmeier@dkatz.com.



Vitamin Shoppe adds stores in Minneapolis. Katz & Associates, in conjunction with Bialow Real Estate, exclusively represented the Vitamin Shoppe by delivering high profile sites at Woodbury Commons-Woodbury, MN and Calhoun Commons, in the "uptown" trade area of Minneapolis. Vitamin Shoppe now has three stores open with several under negotiation. For further information, please contact Marlon Stone at marlonstone@dkatz.com.



Retro Fitness continues to grow. In 2008 Katz represented Retro Fitness on 5 new locations with an additional in development in New York, New Jersey & Maryland. The Maryland location marked Retro's entry into the Washington DC MSA with an 11,000 sf club in Columbia/Jessup, MD opening Spring 2009. Katz will continue to expand Retro's presence in Maryland and Virginia in 2009 and 2010. Katz is also representing Retro Fitness in their entry into Atlanta, GA; Charlotte and Raleigh, NC. For further information, please contact Brian Katz at briankatz@dkatz.com.



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Jos. A. Bank has executed leases at The Mall at Barnes Crossing in Tupelo, MS and Market Plaza in Tallahassee, FL. Both stores are scheduled to open in Fall 2009. JAB continues to seek 4,000 to 4,500 sf stores in the Southeast for 2009 and 2010 openings. For further information, contact Marty Hennessy at martinhennessy@dkatz.com.



Chick Fil-A approves several new trade areas for expansion in South Florida. Katz & Associates is actively seeking sites for Chick Fil-A in South Florida for purchases or ground lease. Chick Fil-A looks for free standing units with a drive thru and bypass lane. For further information, please contact David Emihovich at davidemihovich@dkatz.com.



Becky Smith has been hired by Pet Supermarket as their Director of Real Estate. Pet Supermarket has 113 stores and is focused on expanding in Florida, North Carolina and Tennessee. Becky is working with David Emihovich from Katz & Associates through their expansion of these markets. For further information, please contact David Emihovich at davidemihovich@dkatz.com



Five Guys Burgers and Fries opened a new location in Nanuet, NY in February 2009 with a strong showing in the top 10% of sales nationally. This transaction was represented by Katz & Associates' Northeast Office. Five Guys is now occupying more than 350 locations Nationwide. For more information contact Scott Sher at scottsher@dkatz.com.



Kevin Gromosaik has been hired by Dollar General as their Real Estate Representative throughout Southern Florida. Kevin's territory will consist of those trade areas south of/and including Orlando and Tampa. In addition, Kevin has retained Katz & Associates to represent him in these markets. Dollar General will open 450 new stores during this fiscal year. For further information contact David Emihovich at davidemihovich@dkatz.com.



Eastern Mountain Sports, the leading retailer of hiking, camping, kayaking, biking, skiing and other outdoor sporting and recreational gear, equipment and accessories as well as footwear, outerwear and apparel, recently executed a lease for 15,000 sf in Waterford, CT and is planning to open the new 18,000 sf flagship store at 530 Broadway in NYC this spring. For further information, please contact Brian Katz at briankatz@dkatz.com.



Gamestop just opened a store at Lake Park in Palm Beach Gardens, FL. GameStop was represented by David Emihovich of Katz & Associates. For further information, please contact David Emihovich at davidemihovich@dkatz.com.



Namco Pools and Patio continues to pursue strategic relocations in New York, New Jersey, Connecticut, Massachusetts and New Hampshire. Store size average 20,000- 30,000 sf with a minimum of 125' of frontage. For further information, please contact Brian Katz at briankatz@dkatz.com.

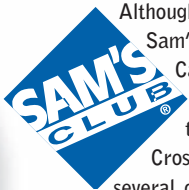
RUSHMORE CROSSING...THE RETAIL DESTINATION FOR RAPID CITY, SD

Rushmore Crossing, developed by Midland Atlantic Development in Rapid City, South Dakota opened its first 300,000 square feet in October, 2008. First phase anchors include

Target, Gordmans, TJ Maxx and Furniture Row. Early 2009 openings included a 100,000 square foot Scheels Sporting Goods and Michaels. Sam's Club will relocate to Rushmore Crossing in Spring 2010.

Other recent additions to the line up include PETCO, Shoe Carnival, David's Bridal, Dress Barn, Dollar Tree, Eyemart Express, GameStop, Impressive Nails and Interstate Battery. Katz & Associates represented Midland Atlantic in all transactions. According to Marlon Stone, SVP Midwest Region, "Virtually all retailers now open in Rushmore Crossing have reported excellent sales. Thanks to the outstanding sales success at Rushmore Crossing, even in a tough economy, tenants are continuing to evaluate the project in a very favorable light and prioritize it in their expansion plans."

SAM'S CLUB TO RELOCATE



Although it was expected that Sam's Club would locate in the Cabela's development, they have decided, instead, to move to Rushmore Crossing. Sam's will join several other retailers reporting strong sales at Rushmore Crossing.

TARGET CLOSES MALL STORE

TARGET Target relocated last Fall into Rushmore Crossing and closed its Rushmore Mall location. The store opened with Gordmans and T.J. Maxx and has now been joined by Scheels, Michaels, Petco and several other new additions. All are reporting strong early results.



Katz & Associates will exhibit at the 2009 ICSC Conference in Las Vegas, NV from May 18-20, 2009. **All of our people will be in attendance.** Come visit us at booth C1756 17th Avenue, or contact us in advance to discuss exclusive representation.



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**KATZ REPORT
SPRING 2009**

LOEHMANN'S



CHICO'S



SHOE CARNIVAL



ASIA BISTRO & DIM SUM BAR



J. ALEXANDER'S



Hair cuttery



LEATHER ♦ TOWN

