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The Davis Companies & Sterling Organization Partner to Acquire 105,000 SF Retail Plaza in Palm Beach Gardens for \$13.25 Million

BOSTON, Ma / PALM BEACH, Fla. (December 14, 2010) – [The Davis Companies](#), a premier real estate investment, management and development firm based in Boston, and [Sterling Organization](#), a leading retail real estate investment, services and development company headquartered in Palm Beach, today announced the acquisition of **LA Fitness Plaza**, a 105,000-square-foot shopping center in Palm Beach Gardens, Florida. The \$13.25 million deal was realized through a partnership between the two companies called DIV Palm Beach Gardens LLC.

The investment partnership marks the first deal in the relationship between the Miami and Boston offices of The Davis Companies since expanding its presence into the Southeast in May, 2010. This is also the firm's first deal in partnership with the Sterling Organization. Steve Miskew of RJS Realty Group, Inc. represented the owner, Fairway Shoppes Joint Venture, a Texas general partnership between a fund advised by Prudential Real Estate Investors and Southeast Centers, in the transaction.

Sterling Organization will oversee daily operations, management and leasing of the 14.75-acre property situated directly on Fairway Drive within PGA National, one of Florida's acclaimed golf resort communities. LA Fitness Plaza is ideally located and easily accessible, just 500 feet from the intersection of PGA Boulevard and the Florida Turnpike interchange, an area that enjoys a traffic count in excess of 42,000 vehicles per day.

The neighborhood shopping center, which is 90 percent leased, is anchored by a brand new, 41,255-square-foot LA Fitness Sports Club, under a 15-year lease. Numerous existing tenants have occupied retail space for more than 10 years, with occupancy costs among the lowest in the market.

“Sterling Organization consistently demonstrates its ability to outperform markets, making the firm a model company to partner with,” said Seth Werner, Managing Principal of Southeastern U.S. with The Davis Companies in Miami. “As one of the preeminent operating platforms for shopping centers nationwide and in Florida, Sterling possesses the highest level of integrity, vast industry experience and real estate investment capabilities that greatly complement The Davis Companies’ disciplines and value-oriented approach.”

“We are very pleased to have partnered with The Davis Companies,” said Brian Kosoy, CEO of Sterling Organization. “This partnership allows for great synergies between both organizations as we look to grow our portfolio of value-added properties. The Davis Companies is an ideal partner due to its entrepreneurial focus, stellar reputation and long-standing history of successful investing in every stage of the real estate cycle.”

LA Fitness Plaza underwent \$1.5 million in renovations in 2009, which included a new façade and color scheme, new roof, upgraded landscaping and enhanced signage. The center is surrounded by more than 4,900 affluent residences in PGA National with an average household income of \$132,103 within one mile, and is near the 381-room PGA National Resort & Spa. Additionally, the 225,000-square-foot Fairway Office Center and Bascom Palmer Eye Institute are located directly across the street, with more than 1,000 employees in the vicinity.

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About The Davis Companies

Founded in 1976, The Davis Companies has earned a reputation for integrity, creativity and excellence, making it one of the premier real estate investment, development and management firms in the Northeast U.S. Over the years and across multiple real estate cycles, the Company has applied a disciplined and value-oriented investment approach. It has invested in approximately 100 properties representing almost \$2 billion in gross asset value, and has acquired approximately \$200 million of commercial loans and real estate securities. Today, The Davis Companies, together with its affiliates, owns and manages a real estate portfolio of approximately 5 million square feet and is an active investor in real estate equity, debt, and fixed-income real estate securities.

About Sterling Organization

Sterling Organization is a fully integrated and diversified real estate investment, services and development company with an established track record of success in the shopping center industry. The company is focused on the ownership, management, acquisition, redevelopment, development, leasing and related services for real estate assets on behalf of its partners and for the benefit of its own property ownership interests in the United States. Sterling Organization currently owns approximately six million square feet of retail and commercial real estate, with a focus in Arizona, Colorado, Florida, Georgia, Illinois, North Carolina, Tennessee and Texas, with an aggregate value approaching \$1 billion. Sterling Organization is headquartered in Palm Beach, Florida. For more information, please visit www.sterlingorganization.com.