

Canyon Catalyst Fund and Sack Properties Acquire Two Residential Rental Communities in Southern California

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Acquisitions represent the partnership's third and fourth investments through the Emerging Manager Program

LOS ANGELES--(BUSINESS WIRE)--August 04, 2014-- Canyon Capital Realty Advisors' platform designed to identify and cultivate emerging real estate investment managers, known as the Canyon Catalyst Fund, has closed on an additional two investments with its partner Sack Properties. Both multifamily investments are located in Southern California and were made as part of an expansion in the investment mandate of Sack Properties to include Southern California in addition to their Bay Area target market. The first is an 85-unit townhome style rental community in West Covina and the second, in Upland, is a 136-unit property.

"We are very excited to expand our partnership with the Canyon Catalyst Fund with these Southern California acquisitions" said Kirby Sack, CEO of Sack Properties. "We anticipate announcing additional value-add acquisitions through our partnership in the very near future."

Located in West Covina, South Hills Apartments sits on 5 acres with excellent access to Interstate 10, and close proximity to two California distinguished schools as well as regional retail and employment centers that serve the San Gabriel Valley and greater Los Angeles area. The community includes 20 separate buildings ranging from two to three stories and it has a mix of one, two, and three bedroom flats and large townhome style floor plans. The team's property improvement program will focus on executing common area and unit interior upgrades. Joe Leon of JLL represented the seller in the transaction.

Parc Claremont is a fully occupied apartment community in the City of Upland, minutes away from the Montclair Metrolink and The Claremont Colleges which include Claremont McKenna, Harvey Mudd, Pitzer, Pomona, and Scripps College among others. The community includes 12 separate buildings on 6.3 acres with a mix of one- and two-bedroom apartments. As with South Hills, Parc Claremont will also undergo significant improvements including interior apartment upgrades, a fitness center, and updated landscaping and amenities.

"The Sack Properties' team has in-depth expertise in investing in value add apartment communities as well as a proven track record and an impressive in-house property management team," said Maria Stamolis, Senior Managing Director at Canyon Capital Realty Advisors. "We are thrilled to help them expand from the Bay Area to Southern California."

Formed in 2013, the partnership between Sack Properties and the Canyon Catalyst Fund is focused on acquiring up to \$100 million in apartment communities in urban markets throughout California.

About The Canyon Catalyst Fund

The Canyon Catalyst Fund is a joint venture between Canyon Capital Realty Advisors (CCRA) and the California Public Employees' Retirement System (CalPERS) aimed at developing the next generation of real estate managers and acquiring \$400 million of real estate assets in urban markets across California. Leaders from CCRA will work closely with emerging managers, acting as mentors and advisors to ensure the incorporation of best-in-class practices.

CCRA (<http://www.canyoncapitalrealtyadvisors.com/>) is the real estate direct investing arm of Canyon Partners, LLC. Founded in 1990, Canyon Partners and its affiliates are investment management firms and registered investment advisors headquartered in Los Angeles, with approximately \$25 billion in assets under management.

About Sack Properties

Sack Properties (sackproperties.com) is a highly entrepreneurial organization with a decades-long track record of successful acquisition, management, and disposition of a broad range of multifamily properties. Based in the San Francisco Bay Area, Sack specializes in multifamily properties in need of operational improvements and Class B properties in prime infill locations that could benefit from capital investment and improved management. The current portfolio includes 1525 apartments and condominiums in 15 communities in urban California. The management team's detail-oriented and hands-on approach to due diligence, renovations and property management results in compelling opportunities for investors and attractive rental home values for residents.