

CANYON CATALYST FUND AND PARAGON COMMERCIAL GROUP ACQUIRE HAWTHORNE PLAZA IN HAWTHORNE, CALIFORNIA

Acquisition Represents the Partnership's Second Investment Through the Emerging Manager Program

LOS ANGELES, CA (February 3, 2015) – Canyon Capital Realty Advisors' emerging manager platform, the Canyon Catalyst Fund ("CCF") has closed on its eleventh investment since inception; Hawthorne Plaza ("the Property") was acquired in partnership with Paragon Commercial Group ("Paragon"). The Property is an approximately 98,000 square foot grocery anchored retail center situated at a "main and main" intersection of Hawthorne Blvd and El Segundo Blvd in the City of Hawthorne, CA, with traffic counts of approximately 80,000 vehicles per day. The Property features tenants such as Citibank, Taco Bell, AT&T, and Starbucks. The property seller was represented by Geoff Tranchina of Wilson Retail Group and Deborah Collins of the Collins Company.

Since opening in 1999, Hawthorne Plaza has been anchored by Albertsons. During the purchase escrow, Albertsons closed the store and a new long term lease was executed with Superior Grocers. Upon closing, Hawthorne Plaza was fully stabilized at 98% occupancy and Superior Grocers recently announced that's its grand opening will occur on February 5, 2015.

"Hawthorne Plaza is an excellent necessity driven grocery anchored investment for our growing portfolio with the Catalyst Fund," said Erwin Bucy, a Principal with Paragon. "We would like to thank the City of Hawthorne and its staff who welcomed Superior Grocers to the neighborhood and helped us evaluate the investment."

The Property is located at the intersection of El Segundo Blvd and Hawthorne Blvd, a primary retail artery that draws from a population of approximately 300,000 within a 3-mile radius. The addition of Superior Grocers, the 6th fastest growing grocery store chain in the United States, will further cement Hawthorne Plaza as an important neighborhood retail center serving the diverse needs of the community. Furthermore, the City of Hawthorne is in the process of completing a \$13 million investment in Hawthorne Blvd through the Hawthorne Blvd Improvement Project, which consists of traffic signal upgrades, bike lanes and infrastructure improvements.

"We are pleased to continue our partnership with Paragon Commercial Group," said Maria Stamolis, Senior Managing Director at Canyon Capital Realty. "They have demonstrated extraordinary execution of the business plan and mitigated significant amounts of investment risk prior to the acquisition."

About The Canyon Catalyst Fund

The Canyon Catalyst Fund is a joint venture between Canyon Capital Realty Advisors (Canyon Capital Realty) 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 Canyon Capital Realty work closely with emerging managers, acting as mentors and advisors to ensure the incorporation of best-in-class practices.

Canyon Capital Realty is the real estate direct investing arm of Canyon Partners LLC (Canyon). Founded in 1990, Canyon and its affiliates are investment management firms headquartered in Los Angeles, with approximately \$25 billion in assets under management.

Canyon Capital Realty focuses on providing value-added debt and equity capital to real estate owners, operators, developers, mortgage lenders and corporations involved in time-sensitive and complicated projects, as well as on markets and transactions that are often overlooked, misperceived and difficult to underwrite. Since inception, Canyon Capital Realty has invested over \$5.5 billion of capital in over 212 commercial real estate and mortgage transactions with a total capitalization of \$14.3 billion through its distinct real estate investment platforms.

About Paragon Commercial Group

Founded by Mark Harrigian, Erwin Bucy and Jim Dillavou, Paragon Commercial Group opportunistically invests in value-add and tenant-driven retail development and redevelopment opportunities, with a focus on underutilized assets in infill and high-barrier to entry markets. With over 50 years of collective retail experience and a retail resume in excess of 10 million square feet of neighborhood and community centers on the West Coast, Paragon's deep market knowledge and extensive tenant relationships provide a constant grass roots pipeline of retail investment opportunities.

Paragon enters into each acquisition with a commitment to quality that extends to each constituency involved in the development process including, capital partners, government agencies, lenders, property owners, tenants and clients. The team's current portfolio ranges from smaller properties, including single tenant assets and neighborhood grocery anchored centers, to larger more complex infill development and redevelopment projects.

About Superior Grocers

Founded in 1981, Superior Grocers operates 43 stores throughout Southern California and is a dominant, active, and growing grocer in the Southern California Grocery Market. As a company, Superior Grocers is an active partner and strong supporter of education in the local communities. The Superior Foundation, its non-profit arm, makes a direct connection with local communities, and provides ongoing support to schools, youth programs and scholarship programs. For the past 15 years, the Superior Foundation has raised over \$2 million for many local elementary, high schools, and youth programs, and scholarships have been given to over 280 schools and non-profit organizations in Southern California.

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