



For Immediate Release

Paragon Commercial Group Launches Second Joint Venture with Canyon Catalyst Fund to Acquire \$60-100 million in California Retail Properties

Partnership to facilitate Paragon's further expansion into Northern California

LOS ANGELES (November 17, 2015)— Paragon Commercial Group, LLC (Paragon), announced today it has entered into a second joint venture with the Canyon Catalyst Fund ("CCF") to acquire an additional \$60-100 million in retail properties across California. The Canyon Catalyst Fund is managed by Canyon Partners Real Estate ("Canyon") and is a CalPERS emerging manager program. Paragon and Canyon successfully invested their first fund in California retail assets in less than two years.

"We continue to see excellent retail investment opportunities throughout California that will allow us to further build on our earlier success with this new fund," said Jim Dillavou of Paragon."

In connection with the second fund, Paragon has also announced that Patrick McGaughey will become Paragon's new Director of Investments in Northern California. He is based in Paragon's new Palo Alto office, its first in Northern California, which opened to ensure the efficient deployment of the new fund. McGaughey is responsible for the acquisition, entitlement, leasing, and construction of all Paragon sites and developments in Northern California. McGaughey joins Paragon following a successful brokerage career with Terranomics where for 11 years he assisted retail tenants in identifying new locations and executing expansion plans throughout all nine Bay Area counties. Tenants included Lowe's Home Improvement, The Fresh Market, PGA Tour Superstore, Guitar Center, The Home Depot and Fidelity Investments.

"The opening of a Northern California office will ensure that we are thoroughly evaluating all retail investment opportunities throughout the state," added Dillavou. "For years we have been impressed with Patrick's business acumen and deep understanding of the shopping center business. We could not be more pleased to have him spearheading the opening of our Northern California office."

About Paragon Commercial Group

Paragon Commercial Group acquires, develops and manages high-quality, value-add retail investments anchored by best in class, creditworthy retailers in high barrier to entry markets providing attractive risk-adjusted returns to Paragon's investors and stakeholders. Paragon strives to create profits through socially responsible and sustainable development and by working closely with municipalities and constituencies to develop assets.

About Canyon Partners Real Estate LLC

Canyon Partners Real Estate (CPRE) is the real estate direct investing arm of Canyon Partners. Founded in 1990, Canyon Partners is an investment management firm headquartered in Los Angeles, with approximately \$23 billion of AUM. CPRE focuses on providing value-added and opportunistic equity and debt capital to real estate owners, operators, developers, and lenders where sensitivity to time and complication are paramount. Since inception, through its distinct real estate investment platforms, CPRE has invested over \$5.8 billion of capital in over 220 commercial real estate and mortgage transactions with a total capitalization of \$15.1 billion. For more information visit: www.canyonpartners.com.

The Canyon Catalyst Fund is a discretionary separate account managed by Canyon Partners Real Estate on behalf of the California Public Employees' Retirement System (CalPERS) which facilitates \$750 million of investment through the identification of real estate emerging managers with niche strategies, a demonstrated track record and strong potential to access unique investment opportunities. This platform is intended to cultivate the next generation of institutional real estate talent and CPRE, in its capacity as account manager, sources, selects and manages talent, while also maintaining oversight of all platform investments.

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