



Paragon Commercial Group Closes \$43 Million Sale of South Bay Grocery Anchored Retail Center

El Segundo, CA – February 8, 2016 – Paragon Commercial Group, LLC (“Paragon”) and Canyon Partners Real Estate (“Canyon”) announced today that it has closed the \$43 million sale of Hawthorne Plaza, a 97,719-square-foot, 100-percent occupied, grocery-anchored retail center in Hawthorne, California. The sale marks the first disposition in Paragon’s joint venture with Canyon under its emerging manager platform, the Canyon Catalyst Fund (“CCF”). CCF, a CalPERS real estate emerging manager platform managed by Canyon, has partnered with four California- headquartered real estate firms, including Paragon, to invest in retail, multifamily, office and mixed use opportunistic real estate investments throughout California. CCF - Paragon was formed to acquire urban retail properties throughout California.

“Hawthorne Plaza is representative of our strategy to reenergize older urban infill retail shopping centers into vibrant neighborhood shopping destinations,” said Erwin Bucy of Paragon. “The original 65,000 square foot anchor tenant vacated during our acquisition of the property which gave us a perfect opportunity to right-size the anchor tenant space and deliver new excellent anchor tenants to the neighborhood.”

Hawthorne Plaza was previously anchored by an Albertsons Supermarket, which closed while the property was in escrow to be acquired by Paragon. The center is now anchored by Superior Grocers, one of the largest independently-owned grocery chains in Southern California, which opened its doors in February 2015. Hawthorne Plaza is also home to ten other tenants including Providence Health Systems, Citibank, Ashley Stewart, GNC, Kinecta Federal Credit Union, Radio Shack, Popeye’s, AT&T, Starbucks and Subway. The four-building center is situated on 8.21 acres at 12620-12770 Hawthorne Boulevard.

CJ Osbrink, Bryan Ley and John Crump of Holliday Fenoglio Fowler, L.P. and Geoff Tranchina of Jones Lang LaSalle marketed the property.

About Paragon Commercial Group LLC

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

About Canyon Partners Real Estate LLC

Canyon Partners Real Estate (CPRE) is the real estate direct investing arm of Canyon Partners, LLC. 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 \$6 billion of capital in over 230 commercial real estate and mortgage transactions with a total capitalization of \$15.1 billion. For more information visit:

www.canyonpartnersrealestate.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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