



NEWS RELEASE

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**CANYON CAPITAL MAKES STRATEGIC DOWNTOWN CHICAGO HOTEL ACQUISITION;  
PLANS ALREADY IN THE WORKS FOR RENOVATION AND REPOSITIONING**

LOS ANGELES (December 2, 2009)—Canyon Capital Realty Advisors (CCRA), through its Canyon Value Opportunity Fund, has acquired Hotel 71, a 437-room, 40-story independent hotel strategically located on Wacker Drive one block from Michigan Avenue in Chicago, IL. The hotel is within walking distance to over 121 million square feet of office space within the “Loop,” the Chicago Board of Trade and Mercantile Exchange, and the retail, cultural, and dining amenities within the internationally-renowned “Magnificent Mile”.

Canyon is a highly-experienced hospitality industry investor, with successful investments in markets throughout the country. The firm will draw on its deep relationships and hospitality experience to maximize the value of Hotel 71.

Canyon is finalizing the hotel’s repositioning plan, which will include a renovation of the guest rooms, restaurant, bar and public spaces, and the remodel and expansion of the hotel’s meeting facilities.

Canyon acquired this asset in an all-cash deal from a real estate mortgage investment conduit (REMIC). Formerly, Hotel 71 was security for a senior loan that was included in a CMBS pool until the asset was acquired as REO in July of 2008. “The acquisition of Hotel 71 is a great example of Canyon’s ability to navigate the realm of CMBS servicing,” said CCRA Principal Jonathan Roth. “Our team negotiated the purchase with the special servicer and received approval from the controlling note holder of the former senior loan and the REO asset,” he added.

The acquisition of Hotel 71 reflects Canyon’s belief in identifying sound hospitality investments, especially in leading U.S. cities with vibrant travel fundamentals. “Chicago is widely viewed as one of the most strategic hospitality markets in the country, in large part due to the fact it is home to the largest convention center nationally, and it is a “gateway travel city.” Chicago presence is a critical strategic component of a hotel company’s growth plan and the global interest we have received from both US and international flags speaks to the hotel’s strategic location, asset quality and the repositioning opportunity,” said CCRA Senior Director Richard Bosworth. “And Hotel 71 sits in one of the most prime locations in the downtown area, fronting the Chicago River and just a block from Michigan Avenue,” he added.

Canyon has been active in the Midwest for many years, and Chicago in particular. The firm’s Canyon Johnson Urban Fund, along with State Street Partners, developed State Place, a 243-unit condominium building, with ground floor retail and an enclosed private parking garage on an entire block of South State Street between 11<sup>th</sup> and Roosevelt Road, the former address of the Central Police Station and Courts Building.

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## Hotel 71 Acquisition / 2-2-2

“Canyon believes in the strength of the tourism and hospitality market in Chicago, and we have the team in place to maximize the value of Hotel 71,” said Bobby Turner, Managing Partner of Canyon Capital Realty Advisors. “This deal demonstrates our continuing interest in Chicago, and our team’s ability to move quickly to acquire an asset out of CMBS special servicing, and to implement a dedicated repositioning plan to enhance the value of the hotel,” he added.

### About Canyon Capital Realty Advisors LLC

Canyon Capital Realty Advisors LLC and its affiliate Canyon Capital Advisors LLC are registered investment advisors and money management firms based in Los Angeles, Calif., with more than \$16.8 billion of capital under management. Canyon’s real estate activities focus on providing debt and equity capital to real estate owners, operators, developers, corporations and entrepreneurs, enabling them to participate in transactions that would have traditionally eluded them due to capital constraints. The CCRA team has completed over 226 real estate and mortgage transactions totaling more than \$3.6 billion of invested capital, including the origination of senior, mezzanine and bridge loans, note acquisitions, recapitalization of partnerships, and the acquisition of over 12 million square feet of real estate. These investments encompass a diverse mix of real estate property types including retail, entertainment, multi-family, industrial, office, hospitality, land, mobile home and mixed-use and mortgage loans secured by such property types.

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