



NEWS RELEASE

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CANYON-JOHNSON URBAN FUNDS PARTNERS WITH PRESTON CAPITAL MANAGEMENT TO PURCHASE 122 ACRES IN THE BALTIMORE-WASHINGTON CORRIDOR

Plans move forward for the development of a transit-oriented community in the City of Hanover

LOS ANGELES (August 9, 2010)—The Canyon-Johnson Urban Funds (CJUF) has provided \$17.5 million in preferred equity capital for the acquisition, re-zoning and pre-development of two land parcels in Hanover, Maryland. The 122-acres are currently the single largest undeveloped transit-oriented development (TOD)-zoned property in the region and will serve as the future home of Oxford Square, a new, 1.6 million square foot mixed-use community.

Upon site plan approval, Baltimore-based Preston Partners will initiate a multi-phase development process, creating three different neighborhoods within Oxford Square that include a mix of Class-A residential units, office space and community serving retail. Plans also call for a 20-acre school site estimated to serve nearly 700 students as well as approximately 2,250 parking spaces for residents and guests.

“With such a substantial need for transit-oriented housing in Hanover, our investment in Oxford Square fits squarely with CJUF’s priority to foster development in underserved communities,” said CJUF Managing Partner Bobby Turner. “We are also excited to partner with such an experienced local operator – Preston Partners has a long track record of developing successful projects in the region and brings with it a strong team of development, leasing and finance experts with strong local roots. We are confident Oxford Square will reflect local priorities and serve as a welcome addition to the Hanover community.”

The property is centrally located five miles from Baltimore’s international airport, six miles north of Fort Meade - one of the largest Army installations in the United States - and only 10 miles from the Washington, D.C. Beltway. Fort Meade has seen an influx of new personnel as a result of the Federal Government’s Base Realignment and Closure (BRAC) Process, and is expected to generate demand for an estimated 9,793 new housing units and as much as 4.5 million square feet of office space by 2015. With the addition of 4,000 BRAC-associated employees, Fort Meade now represents the largest employer in the State of Maryland.

Positioned 800 feet east of a Maryland Area Regional Commuter (MARC) rail platform, the future Oxford Square will be closely integrated with the region’s popular public transportation program. The adjacent MARC station will serve as a valuable amenity for future residential and commercial tenants, providing affordable and convenient access to both Washington, D.C. and Baltimore. The property also provides convenient access to the 295 and 95 freeways and Route 1.

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“We are thrilled to have successfully secured new zoning for Oxford Square, which will not only enhance the value of the property, but also enable our team to fill a growing demand for high-quality affordable housing in Howard County,” said David Scheffenacker, President of Preston Partners. “With a rapidly growing population, direct public transit access to both Baltimore and Washington, D.C., and proximity to major federal government expansion sites, the Property is in a prime location for community-serving development.”

About Canyon-Johnson Urban Funds

The Canyon-Johnson Urban Funds (CJUF) are the country’s largest private real estate funds focused on the development of urban properties in underserved neighborhoods. A joint venture between Canyon Capital Realty Advisors and an entity of Earvin “Magic” Johnson’s Magic Johnson Enterprises, the funds were formed to identify, enhance and capture value through the development and redevelopment of real estate in densely populated, ethnically diverse urban communities. Fundamental to Canyon-Johnson’s investment thesis is its commitment to a “triple bottom line” philosophy of achieving superior financial results, fostering opportunities within urban communities, and embracing environmental responsibility. With nearly \$2 billion in committed equity capital, the funds are positioned to facilitate more than \$8 billion in development and revitalization in major U.S. metropolitan areas. For more information, visit www.cjuf.com.

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