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**CANYON JOHNSON AND CENTURION PARTNERS TAKE OWNERSHIP OF HOTEL ICON IN HOUSTON;  
PLANS IN PLACE FOR REPOSITIONING**

LOS ANGELES (January 5, 2011)—Weeks after purchasing the debt on Hotel Icon in Houston, Texas, a joint venture between the Canyon Johnson Urban Funds and Centurion Partners has taken ownership of the property through a consensual foreclosure process. The team will take several steps in the coming months to stabilize business operations of this iconic and historic asset that has been a fixture in the city since 1911.

In November, Canyon and Centurion acquired both the senior and the junior loans on Hotel Icon and immediately initiated a consensual foreclosure that concluded at an auction on Tuesday morning, January 4.

The team has finalized the hotel's repositioning plan, which calls for property improvements including upgrades to the hotel's 135 guest rooms, enhanced TV and technology systems, and other cosmetic improvements. The joint venture will also execute a management or franchise agreement with a major luxury national hotel chain to rebrand the hotel and implement an effective reservation system and loyalty program.

Both the property upgrades and new major hotel affiliation are expected to be finalized in the next six months. Until then, Destination Hotels and Resorts will continue to manage the hotel.

Originally built as the Union National Bank building and converted to a hotel in January 2004, Hotel Icon is a 12-story hotel tower located within walking distance of the retail, cultural and dining amenities in Downtown Houston's Market Square and immediately adjacent to the city's light rail service. Prior owner Lowe Hospitality Investment Partners purchased the property in 2006 and completed an extensive renovation that included a complete upgrade of all guest rooms, common areas and landscaping.

"We believe in the strength of the commercial and leisure travel market in Houston, and we have a great hospitality team in place to maximize the value of this extraordinarily unique hotel asset," said Bobby Turner, Managing Partner of Canyon Capital Realty Advisors. "This deal is a prime example of our team's ability to move quickly to acquire a struggling hotel asset with enormous potential."

"Houston is exactly the type of dense, diverse, urban market where our fund invests," said Canyon-Johnson partner Earvin "Magic" Johnson. "Houston is a great city, and we believe our repositioning plans will benefit the surrounding community both by re-energizing Hotel Icon and helping to support more than 100 jobs at this incredible property."

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## Hotel Icon Acquisition / 2-2-2

The Hotel Icon transaction comes on the heels of an expansion of Canyon's hotel lending and acquisition activities across the country. The firm is intensifying its investments in the hospitality space through equity infusions and debt financing with a focus on complex transactions that require the depth of expertise the Canyon team brings to the table. Canyon has an extensive track record in the hospitality market, with a diverse portfolio that currently includes the Washington Hilton, Hotel 71 in Chicago, and the W Austin Hotel and Residences.

"We are coming across many excellent hotel assets and repositioning opportunities that are in need of recapitalization," said Canyon Managing Director Richard Bosworth. "In the case of Hotel Icon, the underlying asset is perfectly capable of successfully performing in today's economic climate with the right capital structure. We are thrilled to partner with Centurion, a firm that has extensive experience in redeveloping and repositioning luxury hotels, to maximize the potential of this incredible property."

"Hotel Icon sits in an incredible location in downtown Houston, which is widely viewed as one of the most strategic hospitality markets in the country. We are confident our repositioning efforts will help make this property a premier luxury hotel destination in the city," said Centurion Co-Founding Partner Scot Matteson. "We are also excited to have Canyon as a joint venture partner. Their depth of hospitality expertise combined with a disciplined approach to deploying capital will help ensure this project is a success."

Hotel Icon consists of 135 guestrooms including nine different custom-appointed suites with spacious tiled bathrooms, rain showers, Jacuzzis and antique claw-foot bathtubs. The lobby level restaurant renovation in 2008 resulted in the award-winning VOICE Restaurant and Lounge. Additional amenities include a state-of-the-art fitness facility and full-service Balance Day Spa, as well as a three-level parking garage with 117 stalls operated as secure, covered valet parking for guests. Hotel Icon also features 7,750 square feet of unique event space, including a 2,263 square-foot ballroom and private wine cellar.

### About Canyon-Johnson Urban Funds

The Canyon-Johnson Urban Funds (CJUF) are one of 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](http://www.cjuf.com).

### About Centurion Partners

Comprised of unmatched experts in the industry, Centurion Partners' executive team has over 150 years of combined real estate experience. Its professionals possess the full range of property development and financial expertise to take advantage of complex opportunities in some of the world's most desirable markets.

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## Hotel Icon Acquisition / 2-2-2

As one of its strongest assets, Centurion Partners' executive team has management experience with internationally-renowned companies, overseeing projects and investments worth billions of dollars. With their talents, experience and key relationships in all facets of the industry, Centurion Partners is developing some of the most cutting-edge, luxury properties in the Western United States.

Founded in 2001 by Scot Matteson and Michael Smith, Centurion Partners is headquartered in Newport Beach, California, with additional offices in San Diego, California; Aspen, Colorado; New York City, New York; and Miami, Florida. For more information, visit [www.centurionpartnersllc.com](http://www.centurionpartnersllc.com).

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