

## Eleven Multifamily Venture Celebrates Grand Opening

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AUSTIN, Texas--(BUSINESS WIRE)--Oct. 24, 2013-- Forestar Group Inc. (NYSE: FOR) and Canyon-Johnson Urban Funds (CJUF) celebrated the official grand opening of East Austin's newest multifamily community, Eleven, at the property this afternoon. The first residents will begin moving into their homes tomorrow.

The 257-unit multifamily community has transformed the southeast corner of East 11<sup>th</sup> Street and Interstate 35, considered a gateway into East Austin. Boasting spectacular downtown views, Eleven offers studio, loft, one and two-bedroom floor plans, each featuring quality interior finishes such as high ceilings, polished concrete or wood flooring and stainless steel appliances. Community amenities include a rooftop lounge, aqua lounge with sunning deck, fitness center, 24/7 business center and a dog grooming station. In addition, to encourage alternative transportation into downtown, Eleven features a fully outfitted bike workshop and car charging stations.

Located at 811 East 11<sup>th</sup> Street, the new apartments are conveniently located near dining, shopping and entertainment options in both east Austin and downtown Austin. Eleven is positioned to become one of the cornerstones of this authentic and vibrant urban corridor. To demonstrate a commitment to the local community, the development team announced today the donation of \$25,000 to the Austin Revitalization Authority towards the historic preservation of the Herman Schieffer House, an icon in East Austin's history.

"Eleven reflects the vision and innovation of Forestar's multifamily team who, along with our good partners Canyon-Johnson and our construction lender Wells Fargo, have developed a unique urban project that recognizes the importance of community and cultural heritage and thrives in a dynamic present," said Tom Etheredge, Executive Vice President - Multifamily Operations of Forestar. "We are committed to creating exceptional places for people to live, blending excellent locations, high-quality construction and a broad array of lifestyle amenities."

"We are thrilled to hit this significant milestone at Eleven, and to be well on our way to delivering such a transformative urban infill apartment project to a region where housing is in such high demand," said CJUF Managing Partner and CEO Bobby Turner. "We have a fantastic development partner in Forestar. Their local knowledge and experience have been true assets in our efforts to bring Eleven to life in East Austin."

The official grand opening marks the completion of the project's first construction phase, which includes the first units as well as the shared community amenities. The remaining units are expected to be move-in ready by early next year.

BGO Architects, an award-winning architectural firm, designed Eleven. Kathy Andrews Interiors managed the building's interior design. The property is being professionally managed by Alliance Residential.

For information about leasing, visit [www.ElevenAustin.com](http://www.ElevenAustin.com).

### About Forestar Group

Forestar Group Inc. operates in three business segments: real estate, oil and gas and other natural resources. At the end of second quarter 2013, the real estate segment owns directly or through ventures over 133,000 acres of real estate located in ten states and 14 markets in the U.S. The real estate segment has 14 real estate projects representing approximately 26,000 acres currently in the entitlement process, and 72 entitled, developed and under development projects in eight states and 12 markets encompassing almost 13,900 acres, comprised of almost 23,200 planned residential lots and approximately 2,300 commercial acres. The oil and gas segment includes approximately 808,000 net acres of oil and gas mineral interests, with approximately 590,000 acres of fee ownership located principally in Texas, Louisiana, Alabama, and Georgia and almost 218,000 net acres of leasehold interests principally located in Nebraska, Kansas, Oklahoma, North Dakota and Texas. These leasehold interests include about 7,000 net mineral acres in the core of the prolific Bakken and Three Forks formations. The other natural resources segment includes sale of wood fiber and management of our recreational leases, and approximately 1.5 million acres of groundwater resources, including a 45% nonparticipating royalty interest in groundwater produced or withdrawn for commercial purposes from approximately 1.4 million acres in Texas, Louisiana, Georgia and Alabama and about 20,000 acres of groundwater leases in central Texas. Forestar's address on the World Wide Web is [www.forestargroup.com](http://www.forestargroup.com).

## About Canyon-Johnson Urban Fund

A series of joint ventures between Canyon Capital Realty Advisors LLC (CCRA) and Earvin "Magic" Johnson, the Canyon-Johnson Urban Funds (Canyon-Johnson) were formed to identify, enhance and capture value through the development and redevelopment of real estate in densely populated, ethnically-diverse urban communities. Over the past decade, Canyon-Johnson has been responsible for over \$4 billion of urban revitalization encompassing a diverse mix of property types including retail, office, residential, mixed-use, hospitality, commercial and industrial in a wide array of urban markets. 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. CCRA is the real estate direct investing arm of Canyon Partners, LLC. Canyon Partners and its affiliates, including Canyon Capital Advisors, CCRA and ICE Canyon, are investment management firms and registered investment advisors headquartered in Los Angeles, California. For more information, visit [www.cjuf.com](http://www.cjuf.com).

## Forward-looking Statements

This release contains "forward-looking statements" within the meaning of the federal securities laws. These statements reflect management's current views with respect to future events and are subject to risk and uncertainties. We note that a variety of factors and uncertainties could cause our actual results to differ significantly from the results discussed in the forward-looking statements. Factors and uncertainties that might cause such differences include, but are not limited to: general economic, market, or business conditions; the opportunities (or lack thereof) that may be presented to us and that we may pursue; fluctuations in costs and expenses including development costs; demand for new housing, including impacts from mortgage credit availability; lengthy and uncertain entitlement processes; cyclical nature of our businesses; accuracy of accounting assumptions; competitive actions by other companies; changes in laws or regulations; and other factors, many of which are beyond our control. Except as required by law, we expressly disclaim any obligation to publicly revise any forward-looking statements contained in this news release to reflect the occurrence of events after the date of this news release.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20131024006898/en/>

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