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***** PRESS RELEASE *****

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**FREEHAND HOTEL TO TRANSFORM DTLA'S
COMMERCIAL EXCHANGE BUILDING**

National Freehand chain will renovate 1924 Commercial Exchange Building to create its largest boutique hotel / hostel property in U.S. one block from Downtown L.A. Streetcar line

LOS ANGELES (July 16, 2014) - Councilmember José Huizar announced today that the Sydell Group's Freehand brand of hospitality properties geared towards a younger traveler will soon come to Historic Downtown with the purchase of the 13-story Commercial Exchange Building at 416 West 8th Street.

Freehand, a partnership between Ron Burkle's Yucaipa Company and the Sydell Group, known for its lifestyle hotels and innovative design, plans to create approximately 200 rooms, featuring a lobby living room, and ground floor retail, with restaurant and bar offerings. The Freehand offers a mix of accommodations including traditional guest rooms and accommodations with up to 8 beds that can be reserved as a group or individually. Free wi-fi is a standard for the brand, and a rooftop pool and lounge are planned with 360 degree views.

The development of the property will lead to the creation of hundreds of new jobs and provide an important link between Bunker Hill and all of the new development in South Park, as well as a connection point between the Convention Center and the rapidly revitalizing Broadway corridor, the focus of Huizar's Bringing Back Broadway initiative. The property's location at 8th & Olive is one block from the proposed Downtown L.A. Streetcar line, which was a selling point for Sydell.

"As we continue to increase our hotel stock in Downtown, this project will provide a unique option to travelers and those seeking a creative, social experience as they explore Downtown," said City Councilmember José Huizar, whose office worked with Freehand before the close of escrow. "This model has been successful in other cities and we are excited to see what Freehand does to revitalize this beautiful, long-vacant building and transform it into a center for culture and innovative hospitality."

(more)

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The Commercial Exchange Building was built between 1923 and 1924 by architects Walker & Eisen. Constructed shortly after the rezoning of the southern portion of Downtown from residential to commercial, the Commercial Exchange Building became a part of an increasingly expanding Downtown L.A. The building has housed some important landmark tenants over the past 90 years including the headquarters of the Owl Drug Company and the publishing company of Edgar Rice Burroughs, the author of Tarzan. The Commercial Exchange Building also features one of Los Angeles' tallest neon signs, which will be utilized as part of the project. Today, after years of vacancy, Freehand plans to infuse new life into the Commercial Exchange, restoring its former glory and returning it to the prominence that DTLA deserves.

Andrew Zobler is CEO of the Sydell Group and the founder of Freehand.

"It is Councilmember José Huizar's stewardship of the revitalization of Downtown, his Bringing Back Broadway initiative and plans for the Downtown L.A. Streetcar that made this location a reality for us," Zobler said. "Downtown is emerging as the most exciting place to be in the city, if not the nation. We can't wait to open our first Freehand Los Angeles outpost in Downtown. We could not have imagined a better context for the brand, or a better location for our guests. The Councilmember's historic support of projects such as ours gives a lot of confidence in our ability to deliver a great project on schedule."

With its first location in Miami open and one set to open in Chicago next year, Freehand will count Downtown as its third and largest property. The critically acclaimed New York based company has been recognized as a true innovator in the hospitality space for its thoughtful, communally and design driven affordable accommodations and food & beverage offerings. Freehand is a sister brand to the Nomad and The Line, whose first Los Angeles hotel just opened in Koreatown.

The project architects are Los Angeles based Killefer Flammang Architects. Planning and land use by the Elizabeth Peterson Group, Inc. Construction is anticipated to begin in the third quarter of 2015. Freehand hopes to open in Summer 2016.

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