

PARADIGM PARK

INVESTMENT OFFERING

Paradigm Park
2222 & 2224 Chapel Hill-Nelson Hwy.
Durham, NC

NAITRI PROPERTIES

PARADIGM PARK

OFFERING MEMORANDUM

NAI Tri Properties (“Broker”) has been retained by the Seller in Durham, NC (“Property”) as the exclusive broker for this Investment opportunity.

This Offering Memorandum has been prepared by Broker for use by the principal (“Principal”) to whom Broker has provided this Offering Memorandum. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by Broker and executed by Principal prior to delivery of this Offering Memorandum. Although the information contained herein is based upon sources believed to be reasonably reliable, Owner and Broker, on their own behalf, and on behalf of their respective officers, employees, shareholders, partners, directors, members and affiliates, disclaim any responsibility or liability for inaccuracies, representations and warranties (expressed or implied) contained in, or omitted from, the Offering Memorandum or any other written or oral communication or information transmitted or made available to the recipient of this Offering Memorandum. In amplification of and without limiting the foregoing, summaries contained herein of any legal

or other documents are not intended to be comprehensive statements of the terms of such documents but rather only outlines of some of the principal provisions contained therein, and no representations or warranties are made as to the completeness and/or accuracy of the projections contained herein. Prospective purchasers of the Property should make their own investigations and conclusions without reliance upon this Offering Memorandum, the information contained herein or any other written or oral communication or information transmitted or made available. Additional information and an opportunity to inspect the Property will be made available upon written request by interested and qualified prospective purchasers.

Owner expressly reserves the right, exercisable in Owner’s sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Owner and Broker each expressly reserves the right, exercisable in their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. Broker is not authorized to make any representations or agreements

on behalf of Owner. Owner shall not have any legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed, delivered and approved by Owner and the other party thereto and any conditions to Owner’s obligations hereunder have been satisfied or waived. If you have no interest in the Property at this time, return this Offering Memorandum immediately to:

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triprop.com

DISCLAIMER

PARADIGM PARK

OFFERING MEMORANDUM



OFFERING SUMMARY

PROPERTY ADDRESS: 2222 & 2224 Chapel Hill-Nelson Hwy.
(NC 54) Durham, NC 27713

LOCATION: Between Hwy. 55 & S. Alston Avenue

PARCEL ID#: 153 976

DEED BOOK & PAGE: 8423 / 795

PLAT BOOK & PAGE: 000138 / 000114

RENTABLE SQUARE FEET: Two buildings totaling 151,464 RSF

PERCENT LEASED: 6.3%

YEAR BUILT: 1989 with renovations to Beta
Building in 2018

LOT SIZE: 14.82 Acres

ZONING: O&I-2

TARGET BUYER: Owner-Occupant or Investor

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OFFERING MEMORANDUM

Paradigm Park is a 2 building, 151,464 RSF Class A office building portfolio. The buildings are located in the Research Triangle Park – Durham submarket.

The 2 buildings are:

- 2224 Chapel Hill Nelson Hwy./54 – The Alpha Building – 75,732 RSF
- 2222 Chapel Hill Nelson Hwy./54 – The Beta Building – 75,732 RSF

Both buildings total approximately 75,732 RSF and are four floors each. The buildings sit on a 14.82-acre site zoned O&I-2. The property is located in the heart of North Carolina’s world renowned Research Triangle Park (“RTP”). More than 200 companies call RTP home with over 50,000 experts in fields such as micro-electronics, telecommunications, biotechnology, chemicals, pharmaceuticals, and environmental sciences. Within and surrounding one of the largest research parks in the world, industries invest more than \$296 million in R&D at the region’s universities each year – double the average R&D investment for innovation clusters elsewhere in the nation.

The property provides a value add proposition to Class A office investors with tremendous upside to include the Alpha Building which is completely vacant. A user investor could also benefit from the availability with a purchase establishing their own business campus.

The current condition of the buildings varies. The Alpha Building has recently been gutted of all interior construction to include: floor coverings, all walls, sheetrock, lighting, ceiling and mechanicals. The removal of interior improvements includes all lobbies and tenant spaces. Elevators and restrooms remain, but will need to be renovated or replaced.

The Beta Building has extensive interior refurbishment. The building’s main lobby and second floor common area and lobby have been completely refurbished. The first and second floor tenant spaces have also been refurbished with new sheetrock, floor coverings, ceilings and lighting. The third and fourth floors have been completely gutted and are ready for tenant upfit.

Bathrooms on all four floors in the Beta Building have been refurbished. There has also been 2 common conference rooms added with refreshment services and a workout facility. Both elevators have been replaced.

The Beta Building has some improvements in place. The Alpha Building will however need significant work to provide an investor the opportunity to provide competitive leased space. New HVAC, common area improvements, bathrooms and elevators will all need to be provided.

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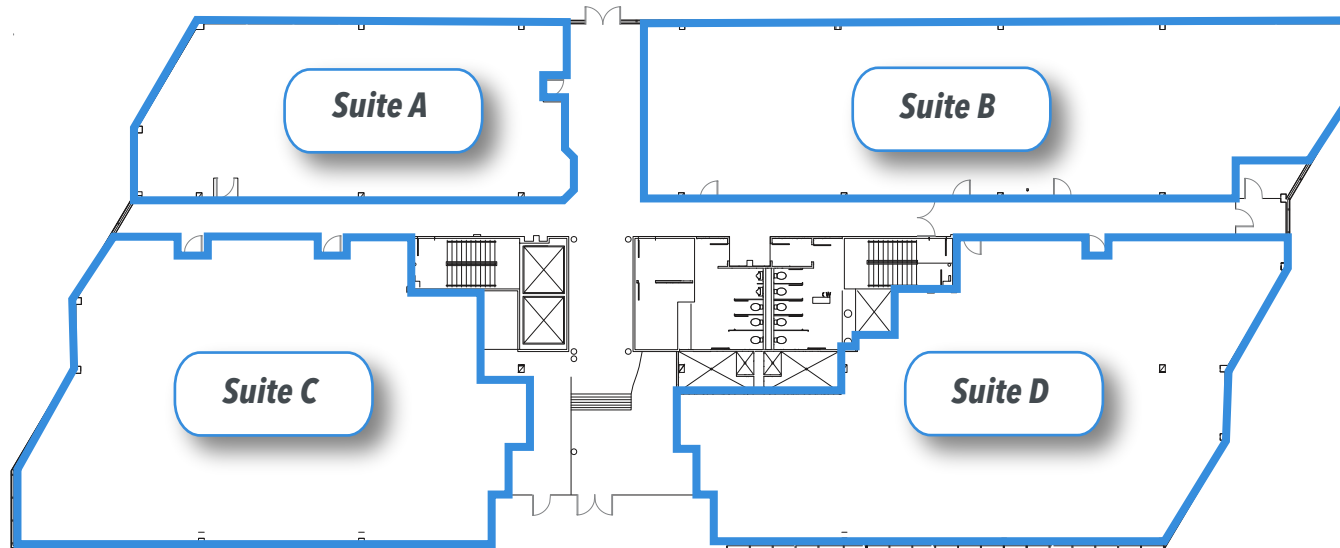


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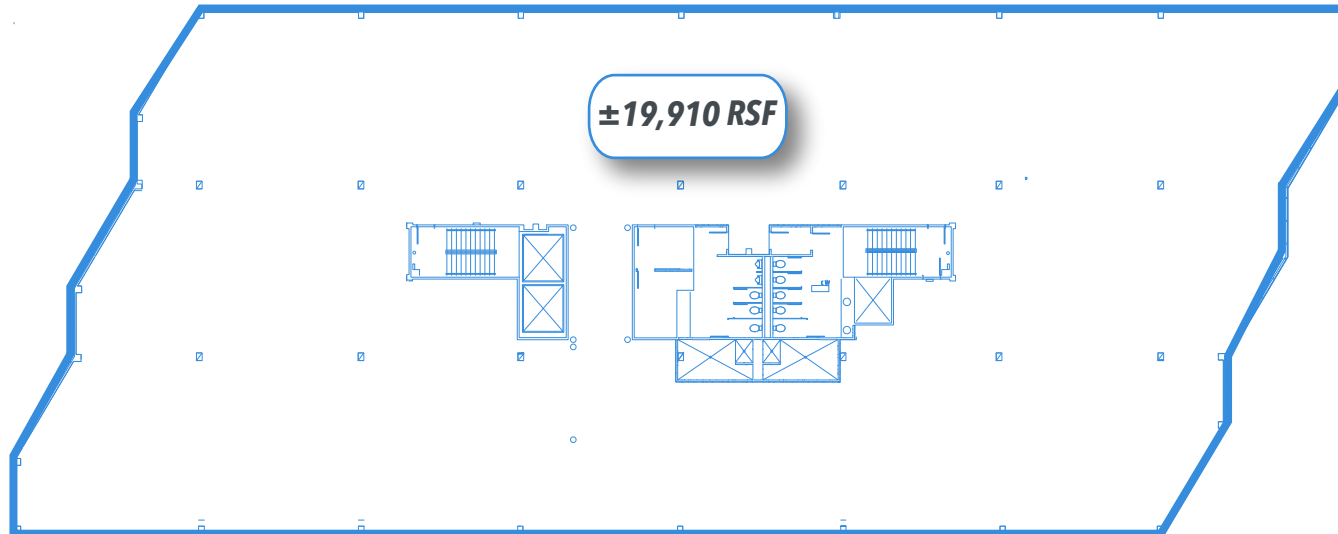
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BUILDING ONE Floor Plans

First Floor



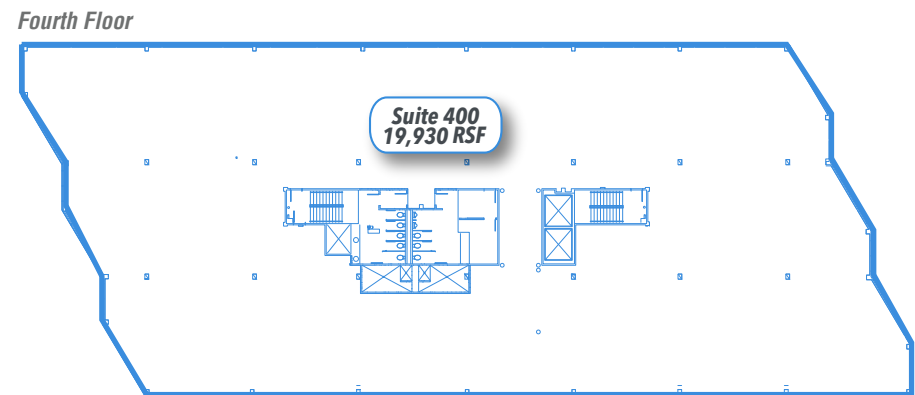
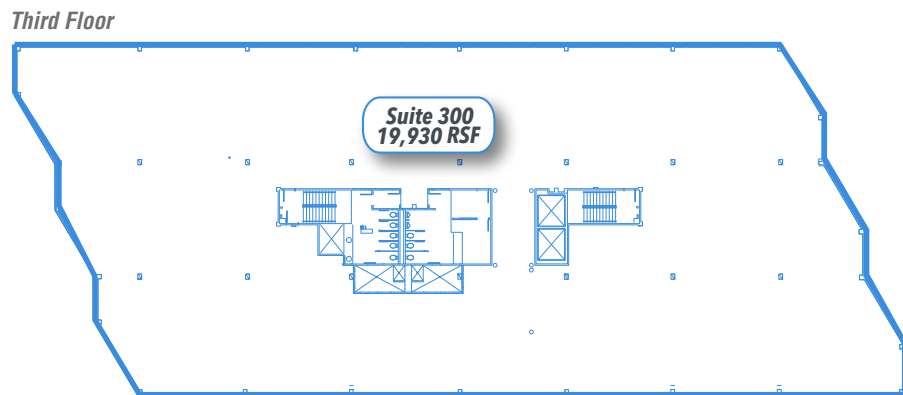
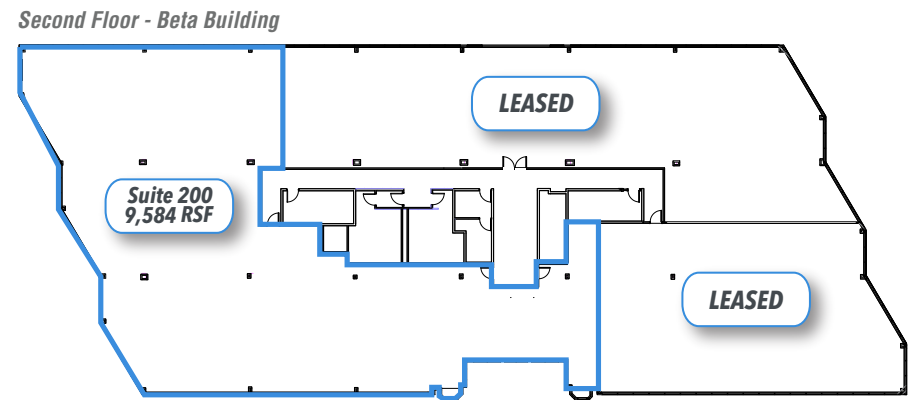
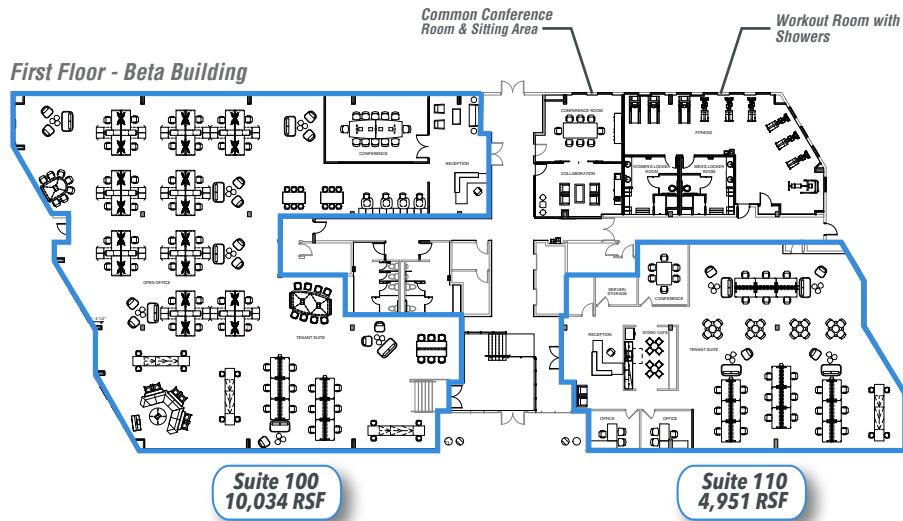
Typical Upper Floor (2nd - 4th)



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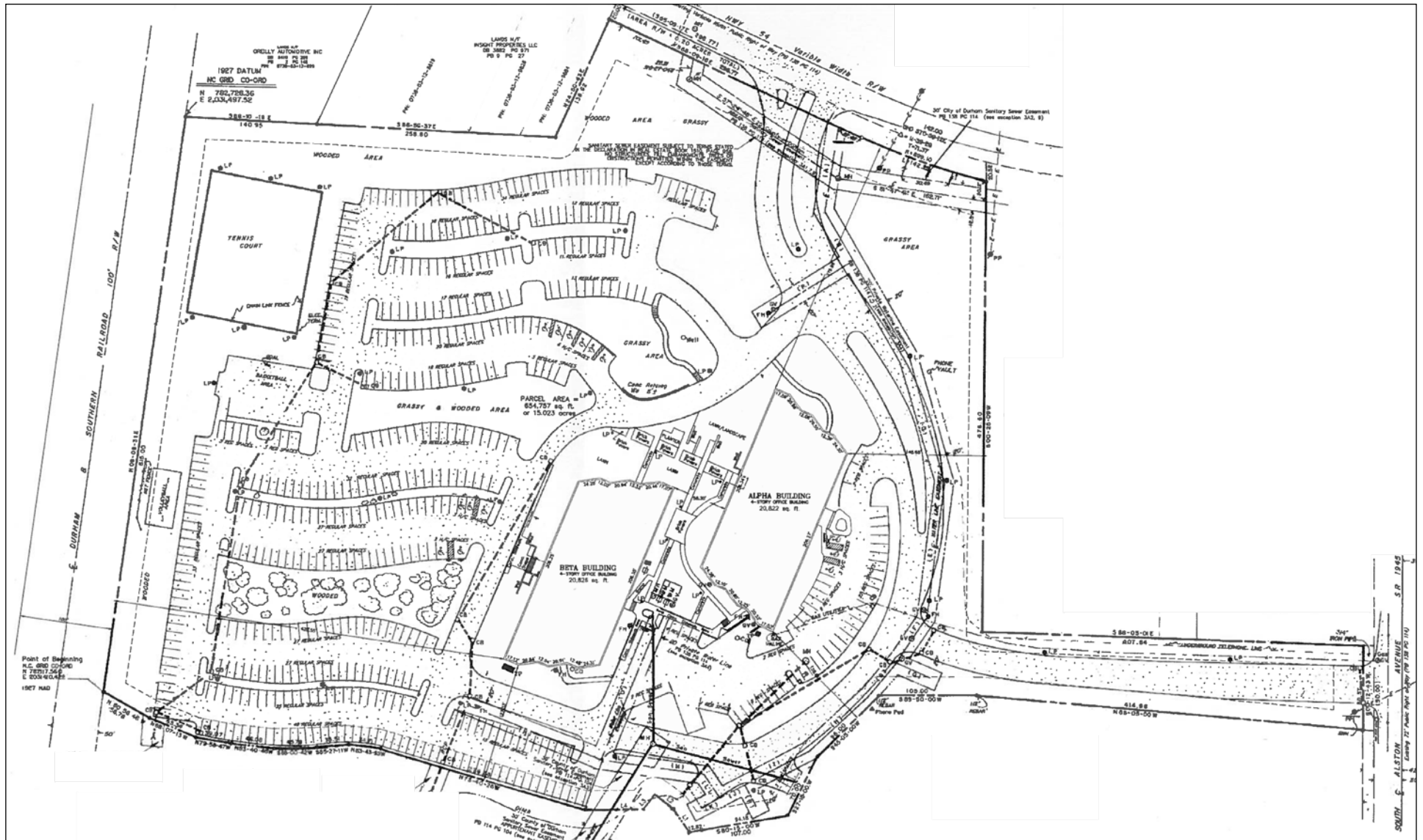
BUILDING TWO Floor Plans



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SITE PLAN



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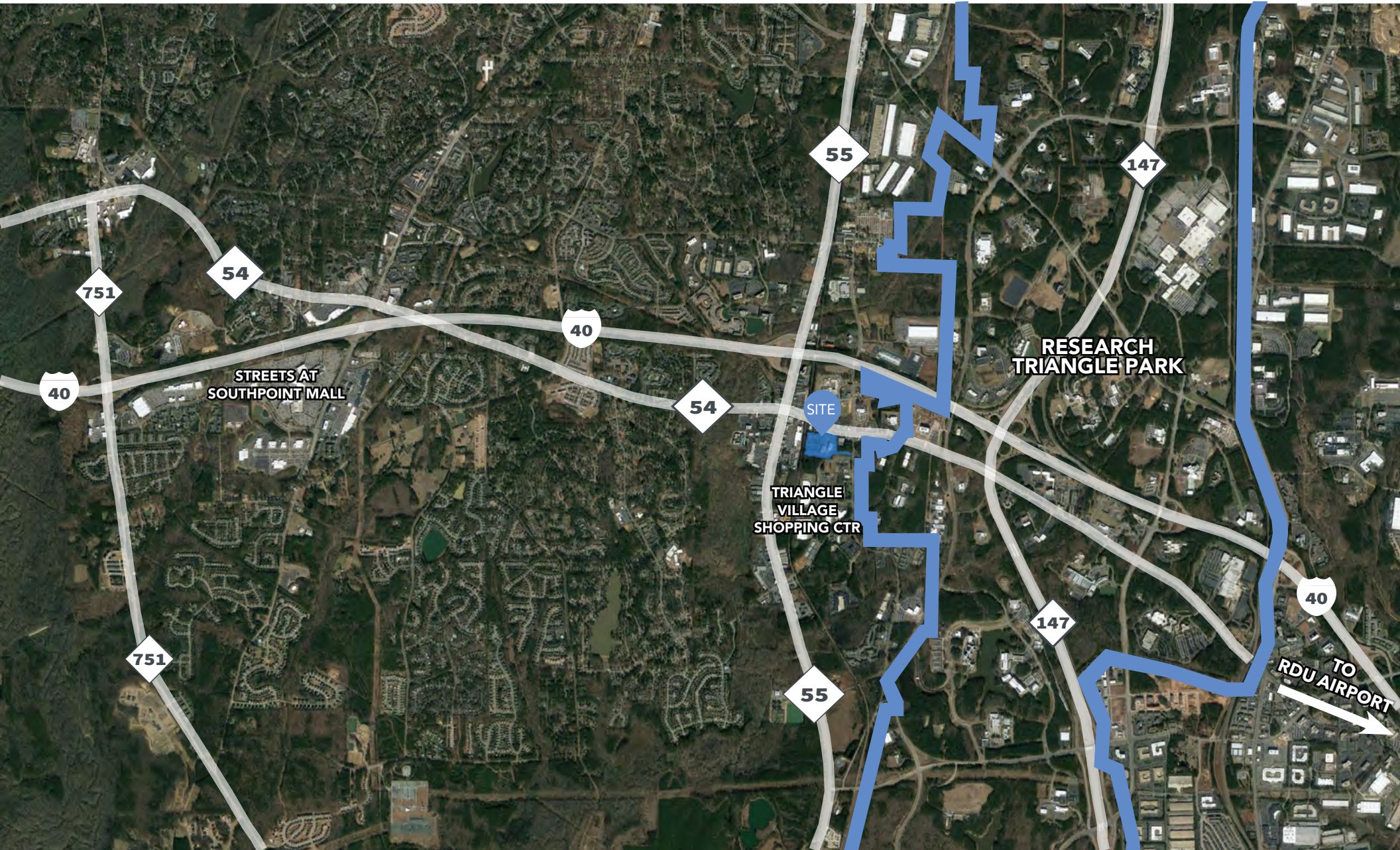
LOCATION



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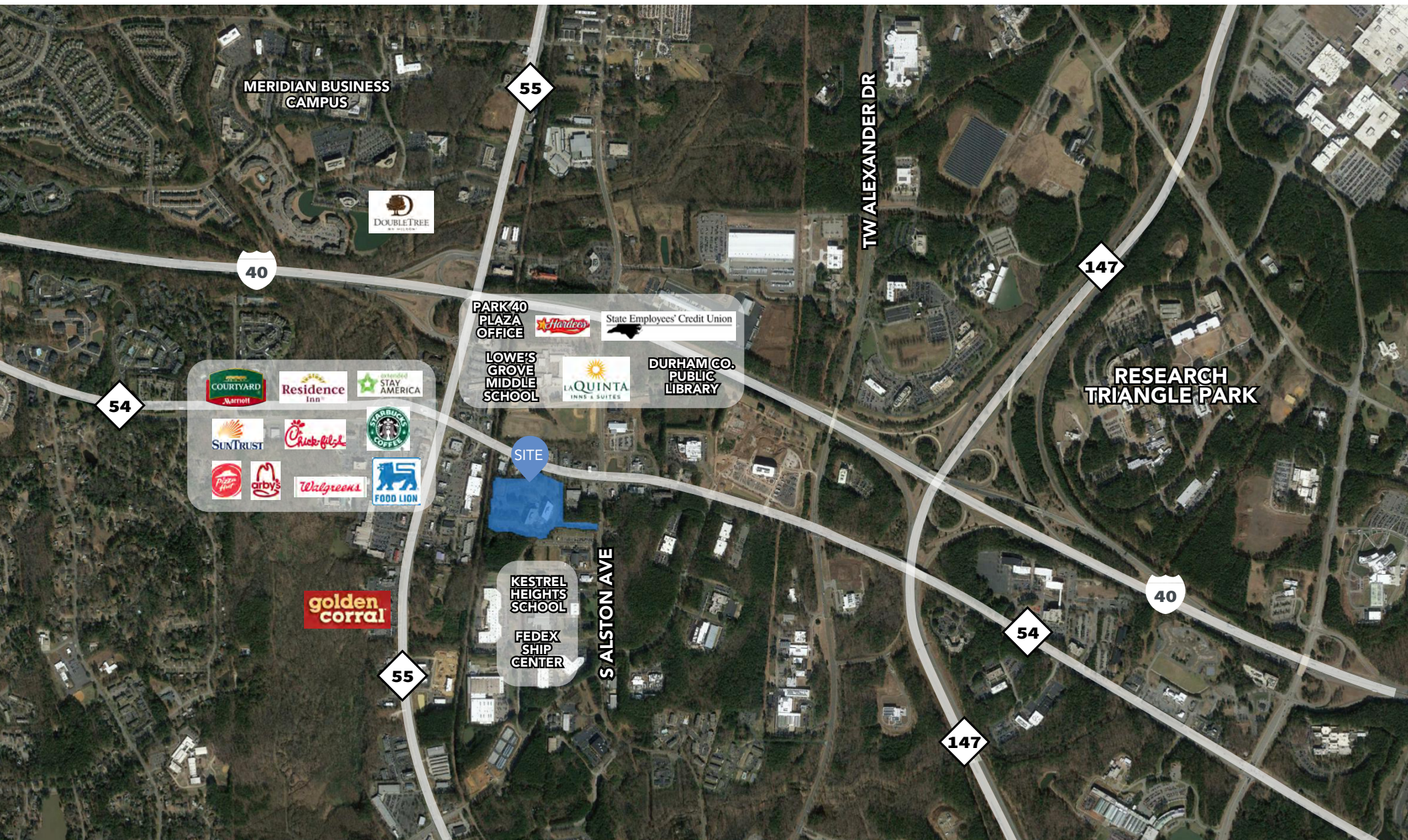
PRIME LOCATION



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AMENITIES



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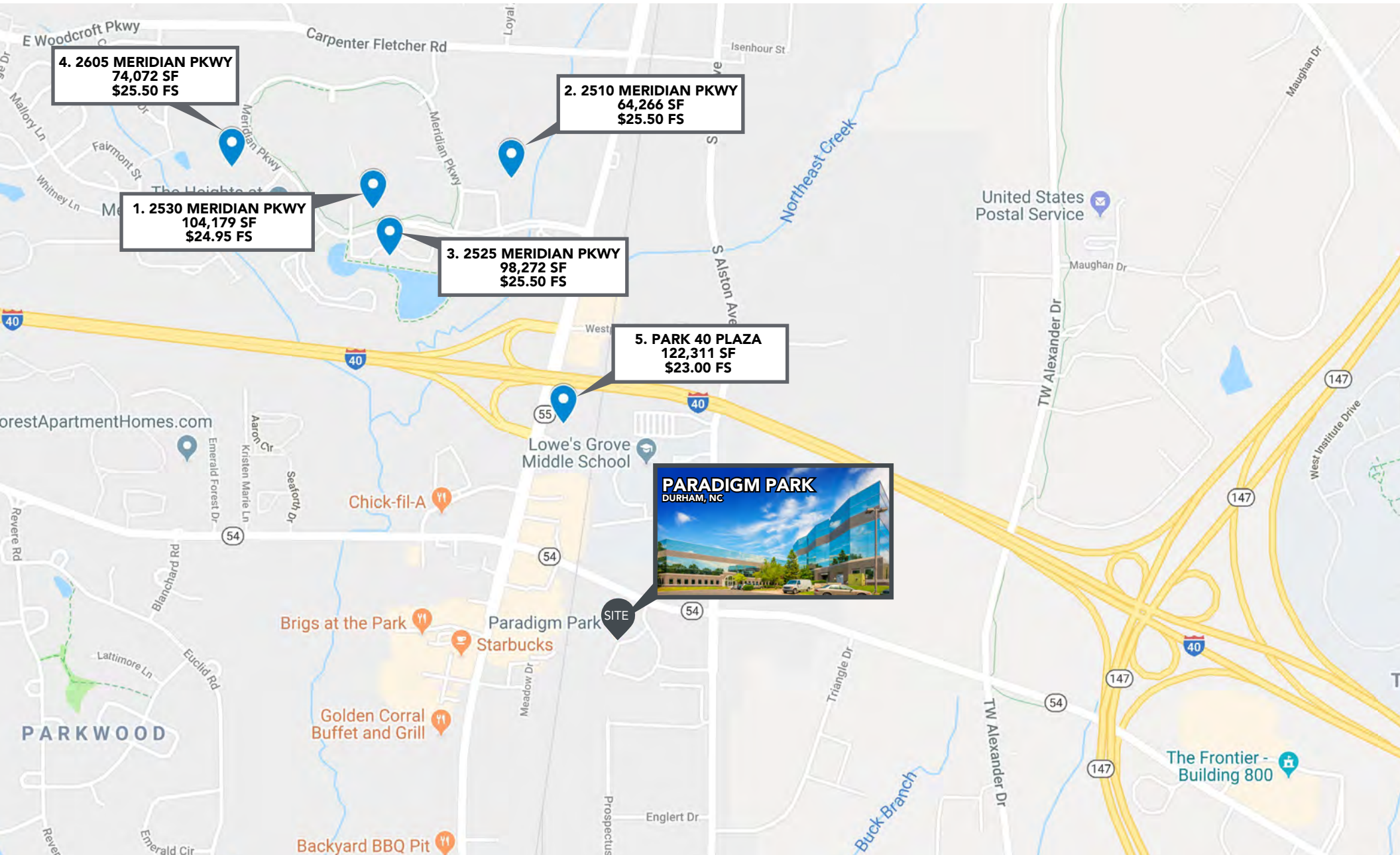
RENT COMPARABLES

	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
						
Property Name	Paradigm Park	2530 Meridian Pkwy.	2510 Meridian Pkwy.	2525 Meridian Pkwy.	2605 Meridian Pkwy.	Park 40 Plaza
Address	2222 & 2224 Hwy. 54 Durham, NC	2530 Meridian Pkwy. Durham, NC	2510 Meridian Pkwy. Durham, NC	2525 Meridian Pkwy. Durham, NC	2605 Meridian Pkwy. Durham, NC	1000 Park Forty Plaza Durham, NC
Distance from Subject Property	-	1.2 miles	1.1 miles	1.2 miles	1 mile	0.5 mile
Year Built/ Renovated	1989 2017	1999	1990	1995	1995	1986 / 2000
Property Size	154,464	104,179 SF	64,266 SF	98,272 SF	74,072 SF	122,311 SF
Occupancy	6%	91%	83.5%	84%	89.2%	66.6%
Quoted Rent PSF	\$24.50 FS	\$24.95 FS	\$25.50 FS	\$25.50 FS	\$25.50 FS	\$23.00 FS
Available Unit Size	Full Building	1,200 SF - 6,322 SF	10,593 SF	5,000 SF - 20,200 SF	3,924 SF - 4,078 SF	1,344 SF - 19,988 SF

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OFFERING MEMORANDUM

RENT COMPARABLES



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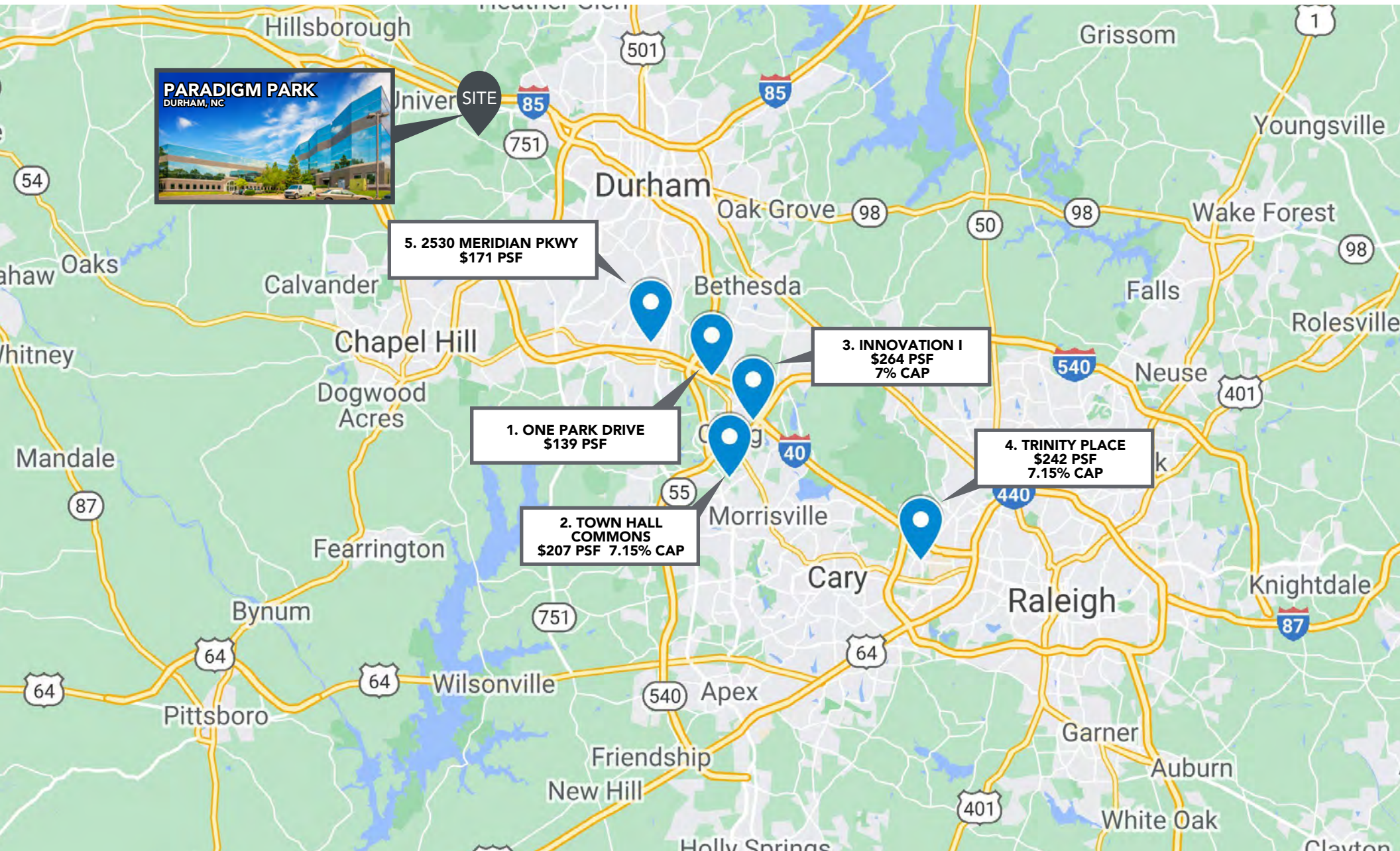
SALE COMPARABLES

	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
					
Property	One Park Drive	Town Hall Commons	Innovation I	Trinity Place	2530 Meridian
Address	1 Park Drive Durham, NC 27709	101 J. Morris Commons Ln. Morrisville, 27560	831 Slater Road Durham, NC 27703	1201 Edwards Mill Rd. Raleigh, NC 27607	2530 Meridian Pkwy. Durham, NC
Year Built/ Renovated	1999	2003	2020	1999	1999
Date Sold	December 2020	July 2020	May 2021	April 2021	September 2018
Property Size	75,104 SF	73,614 SF	139,163 SF	114,547 SF	104,179
Occupancy	92.5%	100%	74%	90.6%	90%
Cap Rate	N/A	7.15%	7.0%	7.15%	N/A
Price	\$10,500,000	\$15,250,000	\$36,793,000	\$27,750,000	\$17,850,000
Price PSF	\$139.81	\$207.16	\$264.39	\$242.26	\$171.34
Buyer	Research Triangle Park Foundation	Town Hall Commons Holdings	Northridge Capital	JPB Holdings	Foundry
Seller	Cadwallader & Associates	Front Street Capital	Scannell Properties	Origin Investments	JPB Holdings

PARADIGM PARK

OFFERING MEMORANDUM

SALE COMPARABLES



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OFFERING MEMORANDUM



Exponential Population Growth

Considered the fastest growing region in the state, the Raleigh/Durham/Research Triangle region has a population of over 2 million and has grown by more than 40% in the last 20 years. The region is expected to continue to grow at an even faster rate in the next decade. Within the Triangle region, Wake County is the largest and fastest growing area with a population of more than 1,072,000, adding approximately 65 people per day.

Diversified Employment Base

At the heart of the region's success lies a diverse and growing blend of people and cultures from every corner of the globe. The region's quality growth and ability to mix native traditions and newcomer influences have shaped a population full of vitality, diversity, and prosperity. With a diversified and prosperous business climate and an environment attractive to tomorrow's technology, the Triangle boasts one of the most highly educated and diverse workforces in the nation. With more than 46 percent of its 25-or-older population holding a bachelor's degree or higher, it's no wonder Forbes magazine ranked Raleigh as one of the best cities for new college grads.

Innovation

As the home of three nationally renowned research universities, the Triangle has garnered a reputation for innovation and entrepreneurship. The Research Triangle region utilizes a triple helix business model in which leaders from the area's businesses, government, and major research universities work together to transform business practices, acquire and develop the latest technology to enable new companies and industries to thrive.

Quality of Life

The low cost of living, quality health care, and ready access to abundant recreational activities make the Triangle region a desirable place to start or relocate a business. Centrally located between the majestic Blue Ridge Mountains to the west and the legendary Outer Banks and Atlantic coast to the east, the Triangle enjoys a favorable climate year-round. Tropical air in the summer and mild temperatures in the winter keep the mean annual temperature at a comfortable 60 degrees.

Top Business Climate

Anchored by one of the nation's largest research parks and three nationally renowned research universities, the Research Triangle area consistently ranks among the nation's best economies year after year. Industry giants in pharmaceuticals, computer software, telecommunications, cleantech, and biotechnology dot the landscape, helping to fuel thriving retail sales and entrepreneurial success.

Consistent Employment Growth

The Triangle area has had consistently low unemployment rates accompanied by high rates of job growth. The area's unemployment is consistently below the statewide unemployment rate as well as the national rate. The metro area's economic success is most evident in the rising incomes of its residents. The region's per capita income has long outstripped the state's per capita income, and this strong economic performance is projected to continue to increase over the next 15 years.

#2 Top Places to Live in the U.S. in 2021-2022

(Raleigh-Durham, NC)
U.S. News & World Report | July 2021

#3 Most Resilient Tech Hubs in America

(Raleigh-Durham, NC)
LinkedIn | June 2021

#1 State with the Lowest Corporate Income Tax Rate in the U.S.

Tax Foundation: Location Matters | May 2021

#1 State in Economic Development in U.S.

2021 Prosperity Cup
Site Selection Magazine | May 2021

Top 10 City to Live in After the COVID-19 Pandemic

(Raleigh, NC)
R New York | March 2021

#3 Fastest Growing U.S. Metro from 2019-2020 in the U.S.

(Raleigh, NC)
US Census | March 2021

#4 Most Affordable City with High Salaries and Low Cost of Living

(Raleigh, NC)
Motley Fool | January 2021

#1 City for Ease of Doing Business in North America

(Raleigh, NC)
ASU DBNA | October 2020

#1 Top Real Estate Market to Watch in 2021

(Raleigh-Durham, NC)
PwC US | December 2020

#1 Lowest State & Local Tax Burden

Ernst & Young | November 2020

#6 Best City for Young Professionals in the U.S.

(Raleigh, NC)
GoBankingRates.com | October 2019

#4 Life Sciences Market

(Raleigh-Durham, NC)
JLL | August 2019

Source: Wake County Economic Development

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