



Paragon Commercial Group Continues Growth of Retail Portfolio with Recent Acquisition in Orange County, California

Fountain Valley, Calif. – August 24, 2021 – Paragon Commercial Group LLC (“Paragon”) and Canyon Partners Real Estate LLC (“Canyon”) today announced the acquisition of Village Center, a 92,386 square foot, multi-tenant retail shopping center in Orange County, California, for \$14.8 million. This acquisition marks the eighth investment completed by Paragon and its joint venture with Canyon Catalyst Fund (“CCF”), the CalPERS real estate emerging manager program managed by Canyon, and Paragon’s third retail acquisition in the last nine months.

The shopping center, which had never before traded until Paragon’s acquisition, is near full occupancy with a diverse tenant roster across the food and beverage, convenience and services industries. The property’s tenants currently include Big Lots, Rite-Aid, Dollar Tree and Bank of America. Sprouts Farmer’s Market, one of the fastest-growing retail chains in the country, will also join as a new anchor tenant of the center. In connection with the addition of a new grocery store, Paragon plans to institute an extensive capital improvement program that will update and modernize the shopping center, which has not been significantly updated in over 50 years.

“The durability of our retail portfolio throughout the COVID-19 pandemic has further demonstrated that daily needs-based retail continues to be an exceptional investment opportunity, notwithstanding headwinds experienced by other retail subcategories,” said Jim Dillavou, Principal, Paragon. “With the capital investment we intend to make into the asset over the next 24 months, this property will be revitalized into a neighborhood grocery anchored center that Fountain Valley will be proud of.”

Originally developed in 1965 and owned by the same family until Paragon’s acquisition, the shopping center is located in Fountain Valley, on the highly trafficked corner of Magnolia Street and Talbert Avenue, providing maximum visibility and ample parking for all Orange County visitors.

About Paragon Commercial Group LLC

Paragon Commercial Group acquires, develops and manages high-quality, value-add retail investments anchored by best in class retailers in high barrier to entry markets yielding attractive risk-adjusted returns to Paragon’s investors and stakeholders. Paragon strives to create value through socially responsible and sustainable development and by working closely with its constituencies and municipalities throughout California.

About Canyon Partners Real Estate LLC

Founded in 1991, Canyon Partners Real Estate LLC® (“Canyon”) is the real estate direct investing arm of Canyon Partners, LLC, a global alternative asset manager with over \$27 billion in assets under management. Over the last ten years, Canyon has invested approximately \$5.6 billion of debt and equity capital across over 200 transactions capitalizing approximately \$15.3 billion of real estate assets, focusing on debt, value add, and opportunistic strategies. With 29 years of experience, Canyon has established a broad menu of investment capabilities spanning property types, U.S. regions, and project stages

(including development, transitional, and distressed/workouts). For more information visit:
www.canyonpartners.com

About Canyon Catalyst Fund

The Canyon Catalyst Fund is a discretionary separate account managed by Canyon on behalf of the California Public Employees' Retirement System which facilitates investment through the identification of real estate emerging managers with niche strategies, a demonstrated track record and strong potential to access unique investment opportunities. This platform is intended to cultivate the next generation of institutional real estate talent and Canyon, in its capacity as account manager, sources, selects and manages talent, while also maintaining oversight of all platform investments.

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