

NNN Central Plaza, LLC

AVAILABLE FOR §1031 EXCHANGE ♦ LLC INVESTMENT



Information about the property contained in this material must be read in conjunction with the Confidential Private Placement Memorandum, which contains additional important risk disclosures and more specific information about the property. This is neither an offer to sell nor a solicitation of an offer to buy an LLC interest in this property. Offers are made solely pursuant to the Confidential Private Placement Memorandum. Prospective investors should consult their own tax advisors to evaluate the tax consequences of an investment. The information in this material is current as of November 7, 2007.

THIS INVESTMENT IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK.



Property Summary

Central Plaza is an approximately 405,000-square-foot, Class A office complex in the Central Avenue Corridor of Phoenix, Arizona. The property is comprised of a 20-story office tower, three two-story office buildings, a single-story office building and a nine-level parking garage. Built in 1980 on approximately six acres of land, Central Plaza offers convenient transportation amenities, including access to major freeways and Phoenix Sky Harbor International Airport. In addition, the nearly completed \$1.2 billion light rail system that runs along Central Avenue will have a station stop directly in front of the property. Providing a generous parking ratio of 3.7 spaces per 1,000 square feet, the property offers ample parking with a nine-level, 1,464-space parking garage and an additional 28-space surface lot. Central Plaza is 93 percent leased to numerous tenants, including the United States Internal Revenue Service, Phoenix International School of Law, Go Daddy Software, and Maricopa County.

Property Information

- Address: 4041 N. Central Avenue
Phoenix, AZ 85012
- Building Type: Office
- Year Built: 1980
- Total SF: 405,302
- % Leased: 93%

Financial Information

- Offering Purchase Price: \$86,300,000
- Offering Price Per SF: \$212.93
- Purchase Date: 4th Quarter 2007
- Offering LTV: 61.99%
- Offering Price Cap Rate: 6.00%
- 1st Year Cash Flow: 6.31%
- Loan Terms: The loan is assumed to have an overall effective fixed interest rate of 6.27%, a ten-year term and will be interest only for five years. **The effective interest rate of 6.27% reflects a buy down of 26 basis points by paying a fee of 2% of the loan or \$1,070,000.**

Please see the Confidential Private Placement Memorandum for additional information and risk disclosures about investment in this property. This material has been prepared for informational purposes only; it is not intended to provide and should not be relied upon for accounting, legal or tax advice. Always remember that each property is unique and past performance is no guarantee of future results.

Major Tenants (24 Total Tenants)

GSA – Internal Revenue Service¹

www.irs.gov

Square Feet: 107,849 or 26.61% of the property

Lease Expiration: December 2028²

The IRS is a bureau of the Department of Treasury and one of the world's most efficient tax administrators. In 2004, the IRS collected more than \$2 trillion in revenue and processed more than 224 million tax returns.

¹The IRS is not expected to commence until January 2009 and, therefore, the IRS rent payments have not commenced. However, the seller will provide a rent subsidy for the IRS from the close of escrow until the projected commencement date. ² Option to terminate at any time on or after 12/31/2018 with 90 days notice.

Phoenix International School of Law, Inc.

www.homepage.com

Square Feet: 54,822 or 13.52% of the property

*Lease Expiration: September 2016**

The Phoenix School of Law opened in January 2005, and received provisional approval from the American Bar Association on June 11, 2007. According to the ABA, "A school that is provisionally approved is entitled to all the rights of a fully approved law school. Similarly, graduates of provisionally approved law schools are entitled to the same recognition that is accorded graduates of fully approved schools." It is the only law school in Arizona that offers part-time and evening degree programs. ***Option to terminate effective on the last day of the 72nd month of the lease term (September 24, 2012) with notice by the end of the 63rd month of the lease term (December 24, 2011) and payment three months basic rent (\$333,043.65) plus unamortized leasing costs at ten percent (50 percent payable on notice date and 50 percent payable on termination date).**





Location Information¹

Incorporated as a city in 1881, Phoenix is the capital and most populous city in the state of Arizona. The prehistoric Hohokam Indians first settled the area about 300 B.C. and dug a system of extensive irrigation canals for farming. Because the city was founded on the ruins of the ancient civilization, it was named Phoenix after the legendary bird that could regenerate itself. In the last two decades, the economy has diversified as rapidly as the population has grown. Many residents in the area are employed by the government as well as Arizona State University, which has enhanced the area's population through education and its growing research capabilities. Numerous high-tech and telecommunications companies have recently relocated to the area.

1. www.phoenixchamber.com

See the Confidential Private Placement Memorandum for more information about this specific market. Opinions and estimates contained herein constitute the judgment of the source or the sponsor and are subject to change without notice, as are statements of market trends, which are based on current market conditions. We believe the information provided herein is reliable, but do not warrant its accuracy or completeness.

Office Market¹

- The second quarter 2007 saw another increase in the full service asking lease rates, rising to an average of \$25.60 per square foot. This is \$0.33 higher than the average in the first quarter, \$25.27 per square foot, and \$2.92 higher than the average one year ago, \$22.68 per square foot.
- Net absorption rose slightly from 379,014 square feet in the first quarter of 2007 to 383,100 square feet in the second quarter.

Economic Trends¹

- According to the Arizona Department of Economic Security, the state's unemployment rate dropped in the second quarter of 2007 to 3.6 percent from 4.1 percent at the end of the first quarter.
- Employment is forecasted to grow 3.5 percent/66,000 jobs in 2007 and 1.9 percent/36,500 jobs in 2008.
- Fortune magazine recently chose Phoenix as one of the top five municipalities in the nation for doing business and Torto Wheaton has predicted strong job growth for the metro area.

1. CB Richard Ellis, "Phoenix Office MarketView" 2Q 2007





TIC Offering

- Offering Size: \$32,800,000
- Price Per 1% Ownership: \$328,000 equity and \$535,000 assumed debt
- Minimum Investment per SPE: 3.00% = \$984,000 equity and \$1,605,000 assumed debt for a total purchase price of \$2,589,000
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$1,640,000
- Price Per Unit: \$5,000
- Minimum Investment: \$25,000
- Suitability: Accredited Investors Only

These cash flow projections were created by the sponsor and are based on a number of assumptions and real estate analysis techniques. The results are necessarily hypothetical; the underlying assumptions may not be accurate, the results shown may not occur, and your performance could vary significantly. This material must be read in conjunction with the Confidential Private Placement Memorandum, which contains additional important risk disclosures and more specific information about the assumptions made.

TIC Projected Annual Cash-on-Cash Yield

\$984,000 Investment Per SPE

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
6.31%	6.39%	7.16%	8.75%	10.29%	8.21%

LLC Projected Annual Cash-on-Cash Yield

\$25,000 Investment

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
6.31%	6.39%	7.16%	8.75%	10.08%	8.10%

Property Strengths

- The location of the asset and light rail station adjacent to the property.
- The property is located in a growing metropolitan area and submarket.
- Stabilized asset and security of the GSA IRS tenant remaining at the property long-term.
- Purchase price is well below where the market average is trading.

Business Plan

- Preserve the capital investment.
- Realize income through the acquisition, operation and sale of the property.
- Make monthly distributions, which may be partially tax-deferred as a result of depreciation and amortization expenses.
- Within approximately six years, profitably sell the property based on the value added through effective management and operation of the property.
- **There is no guarantee that the business plan will be successfully executed, that the property's value will be enhanced, or that the property will be sold within the planned time period.**
- **There is a large dependence on a single tenant, the Internal Revenue Service (IRS), which occupies 107,849 square feet of office space, or approximately 26 percent of the property.**
- **The IRS is not expected to commence until January 2009 and, therefore, the IRS rent payments have not commenced. However, the seller will provide a rent subsidy for the IRS from the close of escrow until the projected commencement date.**
- **The build-out for the IRS is to be completed prior to its commencement in January 2009. However, delays in the completion of the IRS build-out could result in an event of default under the lease and liquidated damages owed to the IRS.**
- **Costs for demolition and shell work for the IRS space is the landlord's obligation and may exceed amount funded by seller.**
- **Costs for tenant improvement work for the IRS space may exceed the amount of the tenant improvement allowance.**
- **A high vacancy rate in the Uptown office submarket of Phoenix, Arizona could cause aggressive competition for new and renewal tenants at the property.**
- **Unless extended by the tenants, the leases representing approximately 51 percent of the property will expire within the next five calendar years. In addition, the leases representing approximately 34 percent of the property contain early termination options.**
- **Although the manager has contracted to purchase the property, no assurance can be given that the company will acquire the property.**

Projected Annualized Returns

Terminal Cap Rate	TIC Return	LLC Return
7.00%	18.80%	17.06%
7.25%	16.92%	15.47%
7.50%	15.18%	13.98%
7.75%	13.54%	12.59%
8.00%	12.01%	11.29%

Terminal Cap Rate Sensitivity

- Interests in this property are speculative and involve a high degree of risk; investors should be able to bear the complete loss of their investment.
- SOME INTERESTS ARE SUBJECT TO RECOURSE LIABILITY, i.e., tenants-in-common will be responsible for providing any cash needed in the future in connection with the property.
- There are restrictions in transferring interests; the interests are not liquid investments.
- There are a number of significant tax risks and tax issues involved with the purchase of an interest in this property; investors should consult their own tax advisors and legal counsel.
- The direct or indirect purchase of real property involves significant risks, including market risk and risks specific to a given property.
- The purchase of real property with other investors, e.g., as a tenant-in-common, presents risks related to the relationship with those other investors.
- Investment in this property is expected to be leveraged; leverage may increase volatility and may increase the risk of investment loss.
- The manager has broad authority and discretion over the property and the terms of financing; the various fees paid to the manager and its affiliates are significant and may offset profits related to the ownership and operation of the real estate.
- Cash distributed to you may constitute a return of your own capital and may be paid from proceeds of the offering, e.g., reserves.

Triple Net Properties, LLC has time-tested experience in real estate syndications, acquisitions, leasing and property management. Triple Net currently manages a growing portfolio of over 39 million square feet of real estate in 29 states valued in excess of \$5.4 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 293 properties to date. Triple Net and affiliates have sold 107 properties for more than \$2.5 billion since 2000.

* Prior performance is not an indication of future results. The projections and the anticipated rate of return are only for TIC/1031 investors and LLC investors and are estimates based on the specific assumptions more fully described in the Private Placement Memorandum (PPM) and any supplements accompanying the PPM. There is no guarantee that the assumptions used in the projection will be achieved. Please review the entire PPM as supplemented prior to investing. This material does not constitute an offer and is authorized for use only when accompanied or preceded by a NNN Central Plaza, LLC PPM dated November 7, 2007. Reference is made to the PPM for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM.



Triple Net Properties, LLC is a wholly-owned subsidiary of NNN Realty Advisors, Inc., a nationwide commercial real estate asset management and services firm.

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