

NNN Chartwell Court, 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 March 16, 2007.

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



Property Summary

Chartwell Court is an institutional quality, 243-unit Class A apartment community in North Houston, Texas. Located on more than 14 landscaped acres, the approximately 254,000-square-foot property includes 19 two-story soft toned brick residential buildings and an inviting clubhouse/leasing office as well as striking resort-style pool area featuring fountains and multi-colored brick surrounds. Chartwell Court offers a spacious average unit size of 1,043 square feet per unit, each of which include an attached remote entry garage, ground floor slate entries, nine-foot ceilings, crown moulding, full-size washers and dryers, frost-free refrigerators with ice makers, and other luxury amenities. Chartwell Court enjoys considerable frontage along the heavily-trafficked Ella Boulevard, and offers easy access to Interstate 45, Hardy Toll Road, Sam Houston Tollway (Beltway 8), and lies approximately five miles from George Bush Intercontinental Airport. The property is currently 91% occupied, and features a generous parking ratio of 1.9 spaces per unit.

Property Information

- Address: 15100 Ella Boulevard
Houston, TX 77090
- Building Type: Multifamily
- Year Built: 1995
- Total SF: 253,553
- Total Apt. Units: 243
- % Occupied: 91%

Financial Information

- Offering Purchase Price: \$19,550,000
- Offering Price Per Unit: \$80,453
- Purchase Date: 2nd Quarter, 2007
- Offering LTV: 63.68%
- Offering Price Cap Rate: 5.96%
- 1st Year Cash Flow: 6.28%
- Loan Terms: The Loan is assumed to have a fixed interest rate of approximately of 5.17% and a ten year term. The Loan will be interest only for years 1 through 5 with a 30 year amortization schedule thereafter. **The interest rate of 5.17% reflects a buy down of the interest rate by paying a fee equal to 3% of the Loan or \$373,500, which will reduce the interest rate by 40 basis points for the duration of the term of the Loan.**

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.

Unit Amenities

- Nine-Foot Ceilings and Crown Moulding
- Built-In Microwaves
- Automatic Icemakers
- Large Garden Style Oval Bathtubs
- Full Size Washers & Dryers
- Slate Entries
- Panic Alarms
- Private Attached Garages with Remote Access
- Wood-Burning Fireplaces*
- Built-In Bookshelves*
- Dual Vanities*

* Amenity in select units only

Community Amenities

- Clubhouse
- Resort Style Swimming Pool with Fountains
- Indoor Jacuzzi
- 24 Hour Fitness Center
- Sun Deck
- Wireless Internet Cafe
- Courtyard with Grills
- Landscaped Grounds
- Pet Stations
- Controlled-Access Entry Gates

Unit Breakdown

Type of Unit	Number of Units	Unit Size in SF	Average Effective Rent Per Unit
1 BD/1 BA (TH)	24	832	\$742
1 BD/1 BA (TH)	29	885	\$782
1 BD/1 BA (TH)	28	893	\$792
2 BD/1 BA	12	890	\$792
2 BD/1 BA	20	960	\$842
2 BD/2 BA	12	1,035	\$867
2 BD/2 BA	18	1,133	\$917
2 BD/2 BA	19	1,273	\$992
2 BD/1 BA (TH)	12	1,038	\$867
2 BD/1 BA (TH)	20	1,110	\$917
2 BD/2 BA (TH)	12	1,186	\$967
2 BD/2 BA (TH)	18	1,208	\$984
2 BD/2 BA (TH)	19	1,337	\$1,042
TOTAL	243	1,043	\$875

*(TH) = Townhouse





Location Information

Houston is the largest city in the state of Texas and fourth-largest in the United States (trailing only New York, Los Angeles and Chicago). The city covers more than 600 square miles and is part of the seventh-largest metropolitan area in the U.S. with a population of more than 5.2 million. One of the fastest growing cities in the nation, Houston is home to a thriving business economy that has rapidly diversified from its strong energy base. Home to 18 Fortune 500 companies and more than 5,000 energy related firms, Houston is considered by many as the Energy Capital of the world. This economic diversification includes growth in high-technology industries, medical research, health care and professional services.

1. The City of Houston official website, www.houstontx.gov

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.

Apartment Market¹

- A total of 6,350 units are scheduled to come online in the Houston area this year, an increase of only 1.4 percent to existing inventory. New supply in 2006 expected to be consistent with last year's deliveries.
- The gap between average Class A asking rents and the monthly mortgage payment for a median-priced home, using traditional financing, has increased 52 percent in the last year, due primarily to higher interest rates.

Economic Trends

- Houston employers added 21,300 jobs during the first half of 2006, bringing the 12-month gain to 66,000 jobs. During the third quarter, payrolls are expected to rise by another 6,800 positions.¹
- The U.S. Department of Labor's Bureau of Labor Statistics (BLS) reported a seasonally unadjusted employment rate of 4.7% in September, down from 5.8% a year earlier.²

1. Marcus & Millichap's Apartment Research Quarterly Report, October 2006

2. REIS, Apartment Asset Advisor, "Metro: Houston," 3Q 2006





TIC Offering

- Offering Size: \$7,100,000
- Price Per 1% Ownership: \$71,000 equity and \$124,500 assumed debt
- Minimum Investment per SPE: 3.00% = \$213,000 equity and \$373,500 assumed debt for a total purchase price of \$586,500
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$355,000
- 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.

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 ten 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.**
- **The Property was originally constructed in 1995 and may require more capital expenditures than newer buildings.**
- **A number of apartment communities of similar size and amenities are located in the Houston, Texas apartment market and may compete with the Property. Competition from nearby apartment communities could make it more difficult to attract new tenants and ultimately sell the Property on a profitable basis. According to REIS, Inc., the vacancy rate for the fourth quarter 2006 in the Houston apartment market is approximately 7.1% and the vacancy rate in the Northborough submarket for the same period is approximately 8.5%.**
- **Conflicts of Interest - An affiliate of the manager acquired The Park at Spring Creek Apartments in June of 2005, approximately 17 miles from the Property.**

TIC Projected Annual Cash-on-Cash Yield

\$213,000 Investment Per SPE

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6.28%	6.40%	6.59%	6.75%	7.14%	7.43%	7.78%	8.23%	8.27%	8.75%

LLC Projected Annual Cash-on-Cash Yield

\$25,000 Investment

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6.28%	6.40%	6.59%	6.75%	7.14%	7.43%	7.78%	8.23%	8.27%	8.75%

Projected Annualized Returns

Terminal Cap Rate	TIC Return	LLC Return
6.50%	14.59%	13.42%
6.75%	13.37%	12.49%
7.00%	12.24%	11.53%
7.25%	10.21%	9.80%
7.50%	9.29%	9.02%

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 these properties; 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, development, construction, leasing and property management. Triple Net currently manages a growing portfolio of over 32.5 million square feet of property in 28 states valued at over \$4.3 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 234 properties to date. Triple Net and affiliates have sold 81 properties valued at \$1.80 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 Chartwell Court, LLC PPM dated March 16, 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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