

NNN Church Street Office Center, 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 April 20, 2007.

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



Property Summary

Church Street Office Center is an eight-story, elegantly outfitted Class A office building totaling nearly 153,000 square feet in the heart of the Chicago suburb of Evanston, Illinois. The Property enjoys direct access to Church Street and Oak Avenue, and lies just four miles from the Edens Expressway (I-90/94), providing tenants with convenient access to O'Hare International Airport and the Greater Chicago metropolitan region. A 3½ level parking garage containing 307 spaces, as well as 45 uncovered spaces to the north of the property, offers a healthy supply of parking for tenants and visitors to the Property. Church Street is 90% leased to multiple tenants, including Solucient, Fluent, Inc., and Northwestern University.

Property Information

- Address: 1007 Church Street,
Evanston, IL 60201
- Building Type: Office
- Year Built: 1984
- Total SF: 152,813
- % Leased: 90%

Financial Information

- Offering Purchase Price: \$34,210,000
- Offering Price Per SF: \$223.87
- Purchase Date: 2nd Quarter, 2007
- Offering LTV: 63.14%
- Offering Price Cap Rate: 5.63%
- 1st Year Cash Flow: 6.75%
- Loan Terms: The loan is assumed to have a fixed interest rate of approximately of 5.53%, a ten year term, interest only for all ten years of the loan and a 30 year amortization schedule thereafter. **The expected interest rate of 5.53% reflects a buy down of 26 basis points by paying a fee of 2% of the loan or \$432,000.**

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 (33 Total Tenants)

Solucient, LLC

*Sq. Ft.: 42,891 Lease Exp.: 6/2014**

Solucient is an information products company serving the healthcare industry. It is the market leader in providing the tools and vital insights that healthcare managers use to improve the performance of their organization. Solucient was formed by the merger of information leaders, HClA-Sachs and HBS International. HClA-Sachs made its mark by providing strategic information, market intelligence, and clinical and financial analysis; HBSI became the nation's most influential source of process and outcomes information and tools. Solucient is currently owned by The Thomson Corporation (NYSE: TOC), which acquisition was completed in October 2006. The Thompson Corporation does not guarantee the lease. The Property serves as the headquarters for Solucient. ***Tenant may terminate effective June 30, 2011 with payment of a termination fee of \$1,068,151.30.**



Fluent, Inc.

*Sq. Ft.: 10,492 Lease Exp.: 5/2010**

Since its inception in 1983, Fluent has established itself as a global leader among commercial computational fluid dynamics ("CFD") vendors, becoming the largest supplier of CFD software in the world. In May 2006, Fluent became a wholly owned subsidiary of ANSYS, Inc. (NASDAQ: ANSS), the world's largest supplier of computer-aided-engineering ("CAE") simulation software and solutions. Fluent focuses on the development of open and flexible solutions that enable users to analyze designs directly on the desktop, providing a common platform for fast, efficient, and cost-conscious product development, from design concept to final-stage testing and validation. Fluent and its global channel partners provide sales, support and training for customers. ***Option to terminate on June 1, 2008, by notice in writing to the landlord and a termination payment for tenant improvement reimbursement.**





Location Information¹

Church Street Office Center is located in the north shore Chicago suburb of Evanston, Illinois. Bordered by Lake Michigan to the east and the city of Chicago to the south, Evanston is a mature suburb populated by residents drawn to its proximity to the lake shore, convenient access to the city of Chicago, and its facilities as the home of Northwestern University. The Chicago Metropolitan Area, which ranks as the 3rd largest metropolitan area in the United States (behind only the New York and Los Angeles metropolitan areas), is home to more than 9.4 million residents and occupies approximately 10,874 square miles. The median household income of the metropolitan region is \$117,500, which exceeds the averages for the top metros in the country and the top metros in the region.

1. Source: U.S. Department of Labor, Bureau of Labor Statistics; REIS 4Q2006 Market Report; CoStar 2006 Year End Report.

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

- For the past six quarters, the suburban market has consistently yielded positive net absorption, with the most significant amount seen in Class A space.¹
- First quarter posted a 15.6% direct vacancy rate, a slight decrease from fourth quarter 2006 and the lowest direct vacancy rate since 15.9% reported first quarter 2002. The North Suburban submarket, where the Property is located, leads the way with a 11.6% direct vacancy rate.

Economic Trends²

- The job market in Chicago has been positive, with the Bureau of Labor Statistics (“BLS”) reporting a 4th quarter seasonally-unadjusted unemployment rate of 3.9%.
- According to Economy.com, office employment has been strong, with the sector adding 26,300 jobs in 2006.

1. CB Richard Ellis, “Chicago Suburban Office MarketView,” 1Q, 2007
2. REIS, Office Asset Advisor, “Metro: Chicago,” 4Q 2006





TIC Offering

- Offering Size: \$12,610,000
- Price Per 1% Ownership: \$126,100 equity and \$216,000 assumed debt
- Minimum Investment per SPE: 3.00% = \$378,300 equity and \$648,000 assumed debt for a total purchase price of \$1,026,300
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$630,500
- 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.

Property Strengths

- According to CoStar, there are a total of nine Class A type office buildings in the city of Evanston, resulting in less competition for tenants than in other classes of buildings in the area.
- Class A office vacancy rates in Evanston decreased from 14.1% at the beginning of 2005 to 9.6% by the end 2006, representing a decrease of 4.5 percentage points or 31.9% overall.
- The Class A office market for Evanston has seen rental rates rise over the past two years by approximately 4.2% overall, or \$1.18 from \$28.19 at the beginning of 2005 to \$29.37 at year end 2006.
- Median family incomes in Evanston exceed those of the county, state, and nation as a whole: United States - \$57,000, Illinois - \$46,000, Cook County - \$54,000, Evanston - \$79,000.
- Major tenants include Northwestern University, Solucient, Evanston Northwestern Healthcare and the American Board of Medical Specialties.

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.**
- **There is a large dependence on a single tenant, Solucient, LLC that leases approximately 28% of the Property.**
- **Unless extended, leases representing 50% of the Property will expire within the next five calendar years. In addition, leases representing 38% of the Property contain early termination options.**
- **The Property was constructed in 1984, and according to initial property condition reports, the building is in good condition. However, based on the age of the Property, the building may require additional capital expenditures at a future date.**

TIC Projected Annual Cash-on-Cash Yield

\$378,300 Investment Per SPE

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 6.75% | 7.00% | 7.08% | 7.30% | 7.62% | 7.95% | 8.20% | 8.46% | 10.13% | 10.96% |

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 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 6.75% | 7.00% | 7.08% | 7.30% | 7.62% | 7.95% | 8.20% | 8.41% | 9.74% | 10.44% |

Projected Annualized Returns

| Terminal Cap Rate | TIC Return | LLC Return |
|-------------------|------------|------------|
| 7.00% | 13.28% | 12.33% |
| 7.25% | 12.17% | 11.39% |
| 7.50% | 11.14% | 10.51% |
| 7.75% | 10.17% | 9.69% |
| 8.00% | 9.26% | 8.91% |

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, development, construction, leasing and property management. Triple Net currently manages a growing portfolio of over 34 million square feet of property in 28 states valued at more than \$4.6 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 249 properties to date. Triple Net and affiliates have sold 90 properties for over \$2.0 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 Church Street Office Street, LLC PPM dated April 20, 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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