

NNN Northmark Business Center II, 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 25, 2007.

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



Property Summary

Northmark Business Center II is a three-story office building totaling nearly 100,000 square feet in Cincinnati, Ohio. Located on more than six acres in the affluent Blue Ash office submarket, Northmark Business Center II enjoys ready access to the Cincinnati central business district, and benefits from exceptional visibility on the Reed Hartman Highway. The Property offers ample parking with a total of 361 spaces, including a 55-space parking garage beneath the building. Northmark Business Center II is 100% leased to seven tenants, including CTI Clinical Trial and Consulting Services, Lockwood Green, Inc., and Great Traditions Development Group.

Property Information

- Address: 10123 Alliance Road
Cincinnati, OH 45242
- Building Type: Office Building
- Year Built: 1984
- Total SF: 99,901
- % Leased: 100%

Financial Information

- Offering Purchase Price: \$13,420,000
- Offering Price Per SF: \$134.33
- Purchase Date: 2nd Quarter, 2007
- Offering LTV: 67.96%
- Offering Price Cap Rate: 6.59%
- 1st Year Cash Flow: 7.25%
- Loan Terms: The loan is assumed to have a fixed interest rate of approximately of 5.81% and a 10 year term. The loan will be interest only for years one through six with a 30 year amortization schedule thereafter.

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 (7 Total Tenants)

CTI Clinical Trial and Consulting Services

Sq. Ft.: 39,670 Lease Exp.: 4/2019

CTI is a specialty drug development organization that provides clinical trial and commercial expertise to clients developing therapies for solid organ transplant, hepatitis, infectious disease and hematology/bone marrow transplant. CTI's expertise encompasses over 20 years of designing and implementing drug development programs. Its involvement spans the entire life cycle of the product from drug development pathway design, clinical trial design, strategic marketing plan development, product management and sales. CTI is capable of managing all phases of the clinical trial process from pre-study planning and concept development to the preparation of the final trial manuscript. CTI has the unique ability to incorporate both clinical and market driven endpoints and interpretations. Northmark Business Center II serves as the headquarters for CTI.

Lockwood Greene, Inc.

*Sq. Ft.: 27,739 Lease Exp.: 7/2011**

Lockwood Greene is a global industrial engineering and construction firm, with approximately \$600 million in annual revenues and 2,500 salaried professionals worldwide. Founded in 1832, Lockwood Greene is America's oldest professional services firm in continuous operation for industrial power engineering and construction. With headquarters in Spartanburg, South Carolina, Lockwood Greene serves U.S. – based Fortune 500 and international companies around the globe, including North America, Latin America, Asia-Pacific, and Europe. Lockwood Greene serves the manufacturing, process, power and institutional markets. Lockwood Greene is a wholly-owned subsidiary of CH2M HILL, a \$3 billion employee-owned enterprise with nearly 13,000 professionals in over 200 locations who expertly manage programs and deliver projects worldwide with enhanced service and greater value. ***Option to terminate on February 1, 2010 by providing written notice in writing to the landlord and payment of termination penalty fee of \$177,835.11.**





Location Information¹

Cincinnati, with a population of more than 331,000, is the third largest city in the state of Ohio, trailing Columbus and Cleveland. The Greater Cincinnati metropolitan area, however, is much larger, with an estimated population of 2.1 million. The U.S. Census Bureau estimates that Greater Cincinnati will surpass Greater Cleveland as the largest metropolitan region in the state by the end of 2007. Located on the banks of the Ohio River, Cincinnati became an important river port following the opening of the Miami and Erie Canal in 1832, and is a major inland coal port. The city is home to an orchestra, opera, and ballet companies, as well as several professional sports teams, including the National Football League's Cincinnati Bengals and Major League Baseball's Cincinnati Reds.

1. Citation: Encyclopedia Britannica, 2007; United States Census Bureau; and Wikipedia.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 Market

- Overall quoted rents (Class A, B, C) slightly increased since last quarter to \$18.26.¹
- Net absorption for the overall Cincinnati office market was positive 307,115 square feet in the first quarter 2007.²

Economic Trends³

- The Property is located in the Blue Ash submarket of the Cincinnati MSA. This area is considered one of the more affluent areas of the Cincinnati MSA, with median household income (\$70,000) that exceeds that of the Cincinnati MSA (\$38,000), the state of Ohio (\$44,000) and the United States (\$57,000).
- The Bureau of Labor Statistics ("BLS") reported a seasonally unadjusted unemployment rate for this MSA of 4.8% in November 2006. Further, the BLS also reported that the professional and business services segment of the job market continued to rise with an increase in employment of 3.1% in November 2006 as compared to the previous year, and a 1% increase in non-agricultural employment overall over the same period.

1. CB Richard Ellis, "Cincinnati Office MarketView" 1Q, 2007
2. CoStar Office Report, "Cincinnati Office Market," 1Q, 2007
3. REIS, Office Asset Advisor, "Metro: Cincinnati," 3Q, 2006





Property Strengths

- The Property is currently 100% leased, with no anticipated roll for the first three (3) years.
- Largest tenant, CTI, occupies 40% of the square footage and has a 12-year lease with no early termination options.
- All tenant leases in place are triple net leases, which enables the manager to pass on risk of increases in expense to the tenants.
- Median family incomes in the Blue Ash submarket exceeds those of the market, state and nation as a whole: United States - \$57,000, Ohio - \$44,000, Cincinnati - \$38,000, Blue Ash - \$70,000.
- Favorable location in the Blue Ash submarket: Close to high traffic areas of the I-71 and I-275 freeways, located near the Blue Ash Airport and outstanding access to the building with eight different points of access/egress.

TIC Offering

- Offering Size: \$4,300,000
- Price Per 1% Ownership: \$43,000 equity and \$91,200 assumed debt
- Minimum Investment per SPE: 3.00% = \$129,000 equity and \$273,600 assumed debt for a total purchase price of \$402,600
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$215,000
- Price Per Unit: \$5,000
- Minimum Investment: \$25,000
- Suitability: Accredited Investors Only

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 seven 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 is largely dependent on two tenants that collectively lease approximately 68% of the building.**
- **Unless extended by the tenants, leases representing 50% of the Property will expire within the next five calendar years. In addition, leases representing 48% of the Property contain early termination options.**
- **Conflict of Interest - An affiliate of the manager acquired One Northlake Place, approximately five miles from the Property.**
- **The seller does not currently own the Property, which could result in a delay or other complications in the acquisition of the Property by the Company.**
- **New construction in the Blue Ash submarket of Cincinnati and the resulting increase in competition in leasing could adversely affect the performance of the Property.**
- **According to CB Richard Ellis, there is a high 18.83% vacancy rate in the Cincinnati office market.**

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						
\$129,000 Investment Per SPE						
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
7.25%	7.40%	7.60%	7.80%	8.00%	8.15%	8.30%

LLC Projected Annual Cash-on-Cash Yield						
\$25,000 Investment						
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
7.25%	7.40%	7.60%	7.79%	7.93%	8.05%	8.18%

Projected Annualized Returns		
Terminal Cap Rate	TIC Return	LLC Return
7.50%	12.50%	11.71%
7.75%	10.95%	10.40%
8.00%	9.50%	9.16%
8.25%	8.13%	8.00%
8.50%	6.85%	6.80%
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 Northmark Business Center II, LLC PPM dated April 25, 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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