

One Live Oak, 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 June 25, 2008.

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



Address	3475 Lenox Road Atlanta, GA 30326
Building Type	Office
Year Built	1981
Total Square Feet	199,338
Percentage Leased	92%

Property Summary

One Live Oak is an approximately 199,000-square-foot office building in the prestigious Buckhead/Lenox submarket of Atlanta, Georgia. Built in 1981 on more than two acres, the 10-story property is within walking distance of the five-star Ritz Carlton Hotel and world class shopping at Lenox Square Mall. One Live Oak's main lobby is finished with granite floors, cherry and walnut walls, and is home to The Bucket Shop restaurant and bar. The property offers ample parking with a seven-level, 625-space parking structure that provides 3.1 spaces per 1,000 square feet. One Live Oak is currently 92 percent leased to the U.S. Securities and Exchange Commission, University of Georgia Real Estate Foundation Inc., Corporate Offices Georgia LLC and Design-Build Concepts Inc.

Major Tenants 34 Total Tenants

U.S. Securities and Exchange Commission

www.sec.gov

Square Feet: 43,701 or 21.92% of the property

Lease Expiration: June 2011

The U.S. Securities and Exchange Commission (SEC) was formed after the Great Depression in 1934 to help restore investor confidence in the U.S. capital markets. Today, the mission of the SEC is to protect investors, maintain fair, orderly and efficient markets and facilitate capital formation. The SEC strives to create and maintain a market where all investors, whether institutions or private individuals, have access to certain basic facts about an investment prior to purchase and throughout their hold period. To achieve this goal, the SEC requires all public companies to disclose pertinent information to the public. In addition, the SEC monitors all key participants in the securities world to promote a continuation of information disclosure and protect against fraud. The SEC is organized into four divisions and 18 branches, each of which is located in Washington, D. C. In addition, the agency has approximately 3,800 employees in Washington, D.C., and 11 regional offices.

UGA Real Estate Foundation, Inc.

www.uga.edu

Square Feet: 29,879 or 14.99% of the property

Lease Expiration: January 2015

University of Georgia's Terry College of Business was founded in 1912 as the School of Commerce for the University of Georgia. Today, the Terry College is the premier business school at the oldest state-chartered university in the country, the University of Georgia. With more than 55,000 alumni and 140 faculty members, the Terry College has both undergraduate and MBA programs that rank 27th and 46th, respectively, by U.S. News & World Report. The Terry College has an enrollment in excess of 3,000 students, and it produces doctoral degrees in eight different academic disciplines.

Since 2001, the Terry College has opened several degree programs in metro Atlanta. The Buckhead facility, also known as the Terry Executive Education Center, offers an evening MBA program and an executive MBA program. The facility offers a location that allows Terry College students and faculty to interact with Atlanta business community. Currently, there are approximately 350 students enrolled at the Terry Executive Education Center.

Why ATLANTA, GEORGIA?

■ Location Information¹

Founded in 1837, Atlanta is the capital and most populous city in the state of Georgia. In the last decade, Atlanta has experienced unprecedented growth – the official city population remains steady at about 420,000, but the metropolitan population has skyrocketed nearly 40 percent to 5,138,223. With the addition of 890,000 residents since April 1, 2000, the Greater Atlanta area boasts the largest numerical gain of any metropolitan area in the United States during that time. A good measure of growth is the ever-changing downtown skyline, along with skyscrapers constructed in the Midtown, Buckhead, and outer perimeter (fringing I-285) business districts. Atlanta ranks fifth in the number of Fortune 500 companies headquartered in its metropolitan area.

1. Source: <http://money.cnn.com/magazines/fortune/fortune500/2008/cities/>

2. Source: REIS 4th Quarter 2007 Office – Atlanta; Costar Year-End 2007 Office

3. Source: 2007 Atlanta Regional Commission; Metro Atlanta Chamber of Commerce – Atlanta's Economic Outlook June 2007

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 Market²

- The Buckhead submarket is comprised of more than 12 million square feet and is currently 11.5 percent vacant, stronger than the current occupancy for the Atlanta Metro market of 15.1 percent.
- Overall average asking rents in the Buckhead submarket are \$26.27 per square foot/per year plus expenses, which represents a 3.8 percent rental rate growth from the previous year.
- The submarket had a positive net absorption of 646,000 square feet in 2007, with 221,000 square feet absorbed in the 4th quarter 2007.

■ Economic Trends³

- Population in the Atlanta MSA has increased at a rate of 2.7 percent per annum since 2000, nearly three times the rate of growth for the US.
- Over the last three years the Atlanta metro area has created more than 161,400 new jobs, decreasing the unemployment rate to 4.6 percent, the lowest level in the last five years. In 2006, Atlanta's employment grew at an overall rate of 2.6 percent, higher than the national average of 1.5 percent over the same period.



■ **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.

■ **Points to Consider**

- There is a large dependence on two tenants - the U.S. Securities and Exchange Commission and the UGA Real Estate Foundation Inc., which account for 22 percent and 15 percent of the property, respectively - the loss of which could negatively impact the property's cash flow.
- Unless extended by the tenants, the leases representing approximately 72 percent of the property will expire within the next five calendar years. In addition, the leases representing approximately 10 percent of the property contain early termination options.
- An increase in real estate taxes could adversely affect cash flow to the investors.
- An inability to obtain future financing for tenant improvements and leasing commissions on acceptable terms due to market fluctuations or lack of credit availability could adversely affect the economic performance of the property.
- The property was originally constructed in 1981. Although preliminary property inspections indicate that the building appears to be in good and well-maintained condition, the property may require capital improvements that could negatively affect cash flow.
- New construction in the Buckhead office submarket of Atlanta may affect the performance of the property.
- Although the manager has contracted to purchase the property, no assurances can be given that the company will acquire the property.

■ **Property Highlights**

- The property is a well established high-rise office building that is uniquely positioned within the Buckhead office market.
- The rent roll consists of several strong credit tenants, which include the U.S. Securities & Exchange Commission (approximately 22 percent of the property) and the University of Georgia's Terry College of Business Executive Education Center (approximately 15 percent of the property).
- The property's tenant roster consists of more than 30 tenants with no tenant exceeding 22 percent of the leasable area, providing strong diversification.
- The Buckhead submarket is one the most dynamic and desirable office submarkets in the Atlanta Metro Statistical Area, with an overall office vacancy rate reported at 11.7 percent and a 10 percent rental rate increase from the third quarter of 2007 to the fourth quarter of 2007.
- The property includes a seven-story, 625 space parking structure, which provides a 3.1 per 1,000 parking ratio.
- Buckhead's active and influential business leaders are currently using funds from the Buckhead Community Improvement District (Buckhead CID) to enhance the appeal of the property's immediate area through the Peachtree Boulevard project.



Financial Information

- **Offering Purchase Price:** \$41,605,000
- **Offering Price Per Sq. Ft.:** \$206.49
- **Purchase Date:** 3rd Quarter 2008
- **Offering LTV:** 57.96%
- **Offering Price Cap Rate:** 6.51%
- **1st Year Cash Flow:** 6.35%
- **Loan Terms:** The loan is assumed to have an overall effective fixed interest rate of 6.85 percent, a ten-year term and will be interest only for the first two years 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.

TIC Offering

- **Offering Size:** \$17,490,000
- **Price per 1% Ownership:** \$174,900 equity and \$241,150 assumed debt
- **Minimum Investment per SPE:** 3.00% = \$524,700 equity and \$723,450 assumed debt for a total purchase price of \$1,248,150
- **Suitability:** Accredited investors only

LLC Offering

- **Offering Size:** \$874,500
- **Price Per Unit:** \$5,000
- **Minimum Investment:** \$25,000
- **Suitability:** Accredited investors only



TIC Projected Annual Cash-on-Cash Yield

\$524,700 Investment Per SPE

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
6.35%	6.40%	6.45%	6.91%	7.13%	7.80%	8.10%

LLC Projected Annual Cash-on-Cash Yield

\$25,000 Investment

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
6.35%	6.40%	6.45%	6.91%	7.13%	7.80%	8.10%

Projected Annualized Returns

Terminal Cap Rate	TIC Return	LLC Return
7.25%	14.83%	13.65%
7.50%	13.43%	12.46%
7.75%	12.11%	11.34%
8.00%	10.88%	10.30%
8.25%	9.73%	9.31%
Terminal Cap Rate Sensitivity		

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.

- 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.

Grubb & Ellis Realty Investors, LLC is the real estate investment and asset management subsidiary of Grubb & Ellis Company (NYSE: GBE), a leading real estate services and investment firm. Grubb & Ellis Realty Investors and affiliates manage a growing portfolio of assets valued in excess of \$6.1 billion located throughout 30 states. One of the nation's most active buyers and sellers of commercial real estate, Grubb & Ellis Realty Investors has completed acquisition and disposition volume totaling approximately \$10.4 billion on behalf of program investors since its founding in 1998; more than 70 percent of this volume has been transacted since January 1, 2005.

* 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 One Live Oak, LLC PPM dated June 25, 2008. 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.

■ Grubb & Ellis Realty Investors, LLC

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www.gbe-realtyinvestors.com

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