

NNN Riverwood Place, 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 July 12, 2007.

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



Property Summary

Riverwood Place consists of two Class A office buildings in the Milwaukee suburb of Pewaukee, Wisconsin. Completed in 1999 and 2001, One and Two Riverwood Place are situated on nearly 17 acres in the Riverwood Office Park and are recognized for their unique architectural appeal. Each building features a two-story, open lobby complete with polished granite floors and walls. The property is able to accommodate tenants specializing in the healthcare and computer-service industries. The property is within close proximity to Interstate 94, and also offers convenient access to Route 164, which runs along the eastern edge of the office park. Riverwood Place is currently 93 percent occupied by several nationally recognized companies, including the Microsoft Corporation, Humana Wisconsin Health Organization Insurance Corporation, and Cisco Systems, Inc.

Property Information

- Address: N17 W24222 Riverwood Drive & N19 W24133 Riverwood Drive Pewaukee, WI 53072
- Building Type: Office
- Year Built: 1999 & 2001
- Total SF: 196,013
- % Leased: 93%

Financial Information

- Offering Purchase Price: \$43,850,000
- Offering Price Per SF: \$223.71
- Purchase Date: 3rd Quarter 2007
- Offering LTV: 60.43%
- Offering Price Cap Rate: 5.95%
- 1st Year Cash Flow: 6.50%
- Loan Terms: The loan is assumed to have a fixed effective interest rate of 5.79% for the first three years and 6.15% for the remaining seven years of the ten-year term. The Loan will be interest only for the first six years of the Loan. **The effective interest rate of 5.79% for the first three years and 6.15% for the remaining seven years of the ten-year term reflects a buy down of 26 basis points by paying a fee of 2% of the Loan or \$530,000.**

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 (20 Total Tenants)

Humana Wisconsin Health Organization Insurance Corp.

www.humana.com

Square Feet: 53,514 Lease Expiration: 10/2012

Square Feet: 3,735 Lease Expiration: 10/2008

Humana is a subsidiary of Humana, Inc. and is part of their family of insurance and health plan companies. Headquartered in Louisville, Kentucky, Humana Inc. is one of the nation's largest publicly traded health benefits companies. They have approximately 11.3 million medical members and offer a diverse portfolio of health insurance products and related services – through traditional and consumer-choice plans, employer groups, government-sponsored plans, and individuals. Humana Inc.'s business units include: Humana Military, Humana Dental, Humana One, Humana Ventures and Humana Medicare Plans. The lease with Humana Wisconsin Health Organization Insurance Corporation has been fully guaranteed by its parent company, Humana, Inc., which has an S&P credit rating of BBB.

Michael Best & Friedrich LLP

www.michaelbest.com

Square Feet: 20,601 Lease Expiration: 5/2012

Michael Best is one of the Midwest's oldest and largest law firms. It was founded in 1848 by noted trial lawyer Edward G. Ryan, who later served as Chief Justice of the Wisconsin Supreme Court. Today, the firm has more than 250 attorneys in six locations, including Milwaukee, Madison, Waukesha and Manitowoc, Wisconsin; Chicago, Illinois and Montgomeryville, Pennsylvania. Michael Best serves clients on a regional, national and international basis. Its clients range from one-person start-ups to Fortune 500 companies. Its practice is organized into the following disciplines: Business, Employment Relations, Health Care, Intellectual Property, Land & Resources, Litigation, Taxation and Wealth Planning Services.





Location Information¹

Riverwood Place is located in the Milwaukee suburb of Pewaukee, Wisconsin. The largest city in Wisconsin, Milwaukee is situated on the western shore of Lake Michigan, about 90 miles north of Chicago. The city is one of the nation's great industrial centers and its manufacturers are leaders in the production of medical diagnostic instruments, small gasoline engines, malt beverages, iron and steel forgings, and robotics. Milwaukee's high-tech manufacturing community is one of the largest among the nation's major metropolitan areas. In the past decade, the downtown area has experienced major construction and development, including the Milwaukee Riverwalk, the Midwest Airlines Center, an addition to the Milwaukee Art Museum, and major renovations to the Milwaukee Auditorium. Many new skyscrapers, condos, and lofts have been built in and around the city in hopes of reviving the downtown community. Milwaukee ranks fifth in the number of Fortune 500 companies headquartered in its metropolitan area.

1. Source: The City of Milwaukee Official Website www.ci.mil.wi.us and www.britannica.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 average quoted asking rental rate for available office space, all classes, was \$15.14 per-square-foot per year at the end of the first quarter 2007 in the Milwaukee area. This represented a 1.6 percent increase in quoted rental rates from the end of the fourth quarter 2006.
- The Class A office market recorded net absorption of positive 76,598 square feet in the first quarter 2007.

Economic Trends²

- The Milwaukee economy managed to end 2006 with some modest economic advances, in contrast with most of the Midwest.
- The Bureau of Labor Statistics (BLS) reported a seasonally unadjusted rate of 4.6 percent in December for the Milwaukee MSA.

1. The Costar Office Report, "Milwaukee Office Market," 1Q 2007.

2. REIS, Office Asset Advisor, "Metro: Milwaukee," 4Q 2006.





TIC Offering

- Offering Size: \$17,350,000
- Price Per 1% Ownership: \$173,500 equity and \$265,000 assumed debt
- Minimum Investment per SPE: 3.00% = \$520,500 equity and \$795,000 assumed debt for a total purchase price of \$1,315,500
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$867,500
- 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

- Two newly-developed Class A office buildings that were completed in 1999 and 2001
- Located in a park-like setting that features landscaped areas, reflecting ponds and walking paths.
- Tenant roster includes several investment grade credit tenants like Microsoft Corporation, Cisco Systems, Inc. and Wells Fargo Bank
- The property is currently stabilized and outperforming the market in terms of occupancy.
- The existing rent roll is well-diversified with staggered lease expirations.
- The property also offers investors stable and predictable cash flow due to the long term commitments from the existing major tenants.

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 eight 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 a single tenant, Humana Wisconsin Health Organization Insurance Corporation ("Humana") occupies 57,406 square feet of office space or leases approximately 29% of the property.**
- **Unless extended, leases representing 46 percent of the property will expire within the next five calendar years. In addition, leases representing 13 percent of the property contain early termination options.**

| TIC Projected Annual Cash-on-Cash Yield | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| \$520,500 Investment Per SPE | | | | | | | | | |
| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| 6.50% | 6.62% | 6.75% | 6.82% | 6.45% | 6.50% | 6.65% | 7.00% | 7.35% | 7.72% |

| 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 |
| 6.50% | 6.62% | 6.75% | 6.82% | 6.45% | 6.50% | 6.65% | 7.00% | 7.35% | 7.72% |

| Projected Annualized Returns | | |
|-------------------------------|------------|------------|
| Terminal Cap Rate | TIC Return | LLC Return |
| 7.00% | 13.11% | 12.27% |
| 7.25% | 12.06% | 11.37% |
| 7.50% | 11.08% | 10.54% |
| 7.75% | 10.16% | 9.76% |
| 8.00% | 9.30% | 9.03% |
| 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 36 million square feet of property in 28 states valued at more than \$4.9 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 272 properties to date. Triple Net and affiliates have sold 98 properties for over \$2.3 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 Riverwood Place, LLC PPM dated July 12, 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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