

Six Forks Station, 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 February 5, 2008.

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



Property Summary

Six Forks Station is a 321-unit garden-style apartment community in Raleigh, North Carolina. Situated on more than 32 acres, the property consists of 39 buildings and a separate building housing the clubhouse and leasing center. Built in three phases between 1985 and 1997, Six Forks Station offers tenants a healthy parking supply with 656 spaces, which results in a 2.04 space per unit parking ratio. Community amenities include two swimming pools, playgrounds and multi-purpose sports courts, a fitness center and an onsite laundry facility. Individual apartment units feature fireplaces, dishwashers, garden tubs, walk-in closets, ceiling fans and patios and balconies in select units. The unit mix consists of 88 one-bedroom units, 161 two-bedroom units and 72 three-bedroom units. The net rentable area of the property is nearly 360,000 square feet, with an average unit size of 1,120 square feet. Six Forks Station is currently 96 percent occupied.

Property Information

- Address: 8601 Olde Station Drive
Raleigh, NC 27615
- Building Type: Multifamily
- Year Built: 1985, 1990 & 1997
- Total SF: 359,484
- Total Apt. Units: 321
- % Occupied: 96%

Financial Information

- Offering Purchase Price: \$32,400,000
- Offering Price Per Unit: \$100,935
- Purchase Date: 1st Quarter 2008
- Offering LTV: 63.89%
- Offering Price Cap Rate: 6.20%
- 1st Year Cash Flow: 6.53%
- Loan Terms: The loan is assumed to have an overall effective fixed interest rate of 6.01%, a three-year initial term with a one-year extension option and will be interest only for the entire term. **The property will be purchased with a cash down payment estimated to be \$8,840,000 and a non-recourse loan in the amount of approximately \$20,700,000 (approximately 73% of the purchase price to the seller), to be made by the lender.**

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

- Washer and dryer hookups
- Fireplaces
- Dishwashers
- Garbage disposals
- Garden tubs*
- Walk-in closets*
- Vaulted ceilings*
- Ceiling fans*
- Private patios or balconies*

*Select Units

Community Amenities

- New clubhouse
- Two swimming pools
- Two children's playgrounds
- Two multi-purpose sports court
- Mature landscaping
- Fitness center
- Laundry facility
- Excellent school district

Unit Breakdown

Type of Unit	Number of Units	Unit Size in SF	Average Effective Rent Per Unit
1 BD / 1 BA	780	20	\$670
1 BD / 1 BA	810	48	\$685
1 BD / 1.5 BA	875	12	\$735
1 BD / 1.5 BA	875	8	\$735
2 BD / 2.5 BA	1,036	28	\$780
2 BD / 2 BA	1,075	20	\$800
2 BD / 2 BA	1,174	40	\$830
2 BD / 2 BA	1,198	48	\$850
2 BD / 2 BA	1,296	25	\$950
3 BD / 3 BA	1,153	20	\$975
3 BD / 3 BA	1,153	52	\$1,100
Total/Average	1,120	321	\$851





Location Information¹

Known as the “City of Oaks,” Raleigh is the capital of North Carolina and the county seat of Wake County. Established in 1792 and named for Sir Walter Raleigh, the city is home to a part of North Carolina’s Research Triangle Park, the largest research park in the world and one of the leading centers for high-technology research and development in the country. Raleigh and the Research Triangle Park area consistently rank among the nation’s best local economies. Numerous high-technology and medical corporations have been attracted to the Raleigh-Durham area due to the outstanding educational and research facilities at area universities, including North Carolina State University, home to the nation’s tenth largest school of engineering, Duke University, and the University of North Carolina-Chapel Hill. Unemployment remains low, 3.5 percent as of December 2007, far below the national average.

1. U.S. Department of Labor - Bureau of Labor Statistics.
www.rtp.org - Research Triangle Foundation of North Carolina.
www.raleighchamber.org

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

- The vacancy rate for the Raleigh-Durham apartment market was reported at 7.4 percent at the end of the third quarter in 2007, which decreased from 8.5 percent a year before.
- A slow down in apartment completions and nearly 20,000 new jobs in the area contributed to the rise in occupancy, which also resulted in increase in market rents. Third quarter market rents averaged \$793, an increase of nearly three percent over the third quarter 2006 average market rent of \$771.

Economic Trends

- The population of the Raleigh-Durham Metropolitan Statistical Area is approximately 1,512,000, an increase of approximately 68 percent from 1990, as reported by REIS. REIS also forecasts a population increase of another 190,000 or 12.5 percent by 2011.¹
- Employment in Raleigh is strong and comprised of high paying and high skill level jobs. REIS reported on recent job growth: “According to Current Employment Survey from the Bureau of Labor Statistics, the number of non-farm wage and salary employees rose 19,100 (2.5 percent) from June 2006 to June 2007.”²

1. REIS Metro-Trend Futures, 3rd Quarter 2007. Metro: Raleigh-Durham

2. REIS Observer, 2nd Quarter. Metro: Raleigh-Durham.





TIC Offering

- Offering Size: \$11,700,000
- Price Per 1% Ownership: \$117,000 equity and \$207,000 assumed debt
- Minimum Investment per SPE: 3.00% = \$351,000 equity and \$621,000 assumed debt for a total purchase price of \$972,000
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$585,000
- 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.

Property Strengths

- As of January 29, 2008 the property was approximately 96 percent occupied and the manager believes that occupancy rates will remain high during the holding period.
- The property is in good condition and in June 2007, a new \$1 million clubhouse was opened. This will enable the manager to focus its capital expenditures on upgrades to the property rather than deferred maintenance.
- Net rental collections increased by approximately 2.75 percent during 2007.
- The property is favorably located in Raleigh, an area with a population of approximately 1,512,000:
 - Close to Interstate 540 and Six Forks Road
 - Median home value within one mile is \$307,471
 - Median household income within one mile is \$89,500
 - Approximately 85 percent of jobs within one mile are white collar

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 four 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 can be no assurances that the property manager will be able to renew expiring leases or lease vacant spaces in the property.**
- **The property is subject to a long-term ground lease - an original term of 61 years that terminates on June 30, 2063 - that could adversely impact the owner's ability to sell and/or finance the property.**
- **Competition from apartment communities in the surrounding geographic area could impact rental rates and the ultimate value of the property.**
- **The property may require capital improvements that could negatively affect cash flow.**
- **Although the manager has contracted to purchase the property, no assurances can be given that the company will acquire the property.**

TIC Projected Annual Cash-on-Cash Yield			
\$351,000 Investment Per SPE			
Year 1	Year 2	Year 3	Year 4
6.53%	7.23%	7.50%	8.17%

LLC Projected Annual Cash-on-Cash Yield			
\$25,000 Investment			
Year 1	Year 2	Year 3	Year 4
6.53%	7.23%	7.50%	8.17%

Projected Annualized Returns		
Terminal Cap Rate	TIC Return	LLC Return
6.25%	17.11%	14.95%
6.50%	14.09%	12.41%
6.75%	11.30%	10.06%
7.00%	8.71%	7.88%
7.25%	6.29%	5.85%
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, leasing and property management. Triple Net currently manages a growing portfolio of over 37 million square feet of real estate in 28 states valued in excess of \$5.1 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 277 properties to date. Triple Net and affiliates have sold 100 properties for more than \$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 Six Forks Station, LLC PPM dated February 5, 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.



Triple Net Properties, LLC is a wholly-owned subsidiary of Grubb & Ellis Company, a nationwide commercial real estate asset management and investment firm.

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