

NNN SPRINGFIELD APARTMENTS, 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 or TIC 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 January 18, 2007.

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



PROPERTY SUMMARY

Springfield Apartments is a 288-unit apartment community in Durham, North Carolina. Located on approximately 32 acres, the 207,712-square-foot property has recently undergone a major renovation, including appliance, cabinetry, countertop, lighting and flooring upgrades throughout 129 units, as well as the 24-hour clubhouse and fitness center. Springfield Apartments enjoys easy access from University Drive, and lies just two miles south of the prestigious Duke University and two miles east of Interstate 40. The property is currently 95% occupied, and features a generous parking ratio of 1.5 spaces per unit.

PROPERTY INFORMATION

- ◆ Address: 4600 University Drive
Durham, NC 27707
- ◆ Building Type: Multi-Family
- ◆ Year Built: 1986
- ◆ Total SF: 207,712
- ◆ % Occupied: 96%
- ◆ Total Apartment Units: 288

FINANCIAL INFORMATION

- ◆ Offering Purchase Price: \$21,175,000
- ◆ Offering Price Per Unit: \$73,524
- ◆ Purchase Date: First Quarter, 2007
- ◆ Offering LTV: 64.11%
- ◆ Offering Price Cap Rate: 6.08%
- ◆ 1st Year Cash Flow: 6.35%
- ◆ Loan Terms: The Loan is assumed to have a fixed interest rate of 5.40% and a 10 year term, interest only for years 1 through 5 with a 30 year amortization period thereafter. The interest rate of 5.40% reflects a buy down of the interest rate by paying a fee equal to 3% of the Loan or \$407,250, which will reduce the interest rate by 39 basis points for the duration 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.*

APARTMENT MARKET¹

- ◆ As of September 30, 2006, the South Durham submarket has a vacancy rate of 7.1% according to REIS.
- ◆ The South Durham submarket consists of 15,229 apartment units in 65 apartment communities. This accounts for approximately 18% of the apartment units within the Raleigh-Durham MSA.
- ◆ During the third quarter of 2006, in the South Durham submarket there were no units completed and 15 units absorbed.

ECONOMIC TRENDS

- ◆ The Raleigh-Durham metro area economy is roaring, with strong employment growth across the board. According to Current Employment Statistics (CES) survey data from the Bureau of Labor Statistics (BLS), non-farm payroll employment was 30,000 (4.1%) higher in July 2006 than in July 2005. Employment growth continues in all sectors, but Financial Activities (up 1,700, or 4.8%) and Professional and Business Services (up 8,100, or 7.3%) are growing fastest.¹
- ◆ Third Quarter 2006 unemployment rate for Raleigh Durham of 3.6% was substantially lower than the statewide unemployment rate of 4.8% and the national unemployment rate of 4.6%.²

1. REIS, Retail Asset Advisor, "Metro: Raleigh-Durham," 2Q 2006
2. CB Richard Ellis, Raleigh-Durham Retail Marketview, 3Q 2006

UNIT AMENITIES

- Chair rail in dining area
- Mini and vertical blinds throughout
- European cabinetry
- Walk-in closets
- Screened porches
- Ceiling fans
- Automatic icemakers
- Full size or stackable washer/dryer connections
- Wood burning fireplaces*
- Exterior storage rooms*
- Vaulted ceilings* *Amenity in certain units

COMMUNITY AMENITIES

- Clubhouse
- Raquetball court
- 24-hour fitness center
- Swimming pool
- Two car wash areas
- On-site management
- Lighted tennis court
- Indoor jacuzzi
- Picnic area with grills
- Playground area

UNIT BREAKDOWN

Type of Unit	Number of Units	Average Unit Size Sq. Ft.	Average Effective Rent Per Unit
1 BD/1 BA	52	500	\$561
1 BD/1 BA	68	600	\$597
1 BD/1 BA	56	700	\$642
1 BD/1 BA	20	800	\$701
2BD/2 BA	68	904	\$726
2 BD/2 BA	24	1,010	\$816
TOTAL	288	721	\$655

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 5-10 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 in the time period described above.**
- ◆ **The Property is currently not under contract and no assurance can be given that the purchase will occur when anticipated or at all.**
- ◆ **Due to the age of the Property, there may be a certain amount of functional obsolescence. Older buildings may also require higher capital expenditures to ensure that they maintain a positive, non-dated look in order to attract and retain tenants.**
- ◆ **Competition from apartment communities in the surrounding geographic area may reduce demand for the Property and impact the value of the Property itself.**
- ◆ **Affiliates of the Manager acquired the The Landing Apartments, located approximately seven miles from the Property. Thus, conflicts of interest will exist in managing the Property.**

TIC OFFERING

- ◆ Offering Size: \$7,600,000
- ◆ Price Per 1% Ownership: \$76,000 equity and \$135,750 assumed debt
- ◆ Minimum Investment per SPE: 3.00% = \$228,000 equity and \$407,250 assumed debt for a total purchase price of \$635,250
- ◆ Suitability: Accredited Investors Only

LLC OFFERING

- ◆ Offering Size: \$380,000
- ◆ Price Per Unit: \$5,000
- ◆ Minimum Investment: \$25,000
- ◆ Suitability: Accredited Investors Only



LOCATION INFORMATION¹

The Raleigh-Durham Metropolitan Area, more commonly referred to as the Triangle, is a thriving metropolis anchored by the cities of Raleigh, Durham, and Chapel Hill. Home to roughly 1.2 million people spread across an area of approximately 3,480 square miles, the Triangle is home to Research Triangle Park and three highly respected research universities – Duke University, the University of North Carolina at Chapel Hill, and North Carolina State University. This confluence of academia, business, and government has resulted in the emergence of the Raleigh-Durham metro area as one of the leading business centers in the United States, with a growing population, strong employment, and a “roaring economy.”

1. Citations: Second Quarter 2006 REIS Apartment Report; the U.S. Department of Labor, Bureau of Labor Statistics; and the U.S. Census Bureau.

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.

TIC CASH FLOW PROJECTIONS: \$228,000 INVESTMENT PER SPE

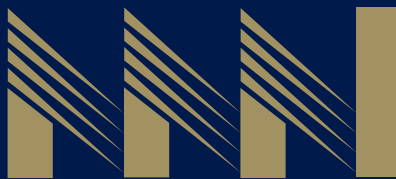
Year	1	2	3	4	5	6	7	8	9	10	Total
Projected Cash-on-Cash Return	6.35%	6.43%	6.66%	6.93%	7.22%	7.39%	7.48%	7.73%	8.38%	9.06%	
Cash Distribution	\$14,484	\$14,661	\$15,190	\$15,790	\$16,458	\$16,853	\$17,063	\$17,614	\$19,116	\$20,662	\$167,891
										Projected Profit	\$133,534
										Return of Capital	\$228,000
										Total	\$529,425
										Projected Total Annualized Return (based on a terminal cap rate of 7.00%)	13.22%

LLC CASH FLOW PROJECTIONS: \$25,000 INVESTMENT

Year	1	2	3	4	5	6	7	8	9	10	Total
Projected Cash-on-Cash Return	6.35%	6.43%	6.66%	6.93%	7.22%	7.39%	7.48%	7.73%	8.38%	9.06%	
Cash Distribution	\$1,588	\$1,608	\$1,666	\$1,731	\$1,805	\$1,848	\$1,871	\$1,931	\$2,096	\$2,266	\$18,409
										Projected Profit	\$12,497
										Return of Capital	\$25,000
										Total	\$55,906
										Projected Total Annualized Return (based on a terminal cap rate of 7.00%)	12.36%

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 these properties; 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.



REALTY ADVISORS, INC.

Triple Net Properties, LLC, a wholly-owned subsidiary of NNN Realty Advisors, Inc., has time-tested experience in real estate syndications, acquisitions, development, construction, leasing and property management. Triple Net currently manages a growing portfolio of over 32.5 million square feet of property in 28 states valued at over \$4.3 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 234 properties to date. Triple Net and affiliates have sold 83 properties valued at over \$1.80 billion since 2000.*

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Securities Offered Through NNN Capital Corp., Member NASD/SIPC
4 Hutton Centre Drive ♦ Suite 700 ♦ South Coast Metro ♦ California ♦ 92707 ♦ (714) 667-8252
January 18, 2007

* 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 Springfield Apartments, LLC PPM dated January 18, 2006 ("PPM"). 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.