

Jacksonville Medical Plaza, 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 January 30, 2008.

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



Property Summary

Jacksonville Medical Plaza consists of two multi-tenant medical office buildings in Jacksonville, Florida. Built in 1974 and renovated in 1995, the approximately 132,000-square-foot property is situated on more than 11 acres. Located across the street from Memorial Hospital Jacksonville, one of the city's major hospitals, Jacksonville Medical Plaza offers tenants and visitors ample parking with nearly 600 spaces, resulting in a parking ratio of 4.5 spaces per 1,000 square feet. Jacksonville Medical Plaza is currently 97 percent leased to multiple tenants, including Memorial Hospital Jacksonville and Brooks Rehabilitation Hospital.

Property Information

- Address: 3901 University Boulevard South Jacksonville, FL 32216
- Building Type: Two-Building Office Park
- Year Built: 1974; renovated in 1995
- Total SF: 132,488
- % Leased: 97%

Financial Information

- Offering Purchase Price: \$33,498,000
- Offering Price Per SF: \$252.84
- Purchase Date: 1st Quarter 2008
- Offering LTV: 58.09%
- Offering Price Cap Rate: 6.30%
- 1st Year Cash Flow: 6.25%
- Loan Terms: The Loan will carry an interest rate of 335 basis points above treasuries at the time of rate lock. The loan is assumed to have an overall effective fixed interest rate of 6.40%, a ten-year term and will be interest only for three years. **The effective interest rate of 6.40% reflects a buy down of 65 basis points by paying a fee of 5% of the loan or \$972,900.**

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 (10 Total Tenants)

Genesis Rehabilitation Hospital, Inc. d/b/a Brooks Rehabilitation Hospital

www.brooksrehab.org

Square Feet: 41,645 or 31.43% of the property

Lease Expiration: August, 2021

Brooks Rehabilitation Hospital is a 143-bed acute physical rehab hospital that has provided care to the residents of Northeast Florida and Southeast Georgia for over 35 years. Founded in 1970, the rehabilitation hospital is unique in the region with its highly trained staff and a wide range of services. To supplement their inpatient services, Brooks has created an extensive network patient centers as well as a cutting-edge research facility which allow them to provide the best continuum of care possible to the communities they serve.

Memorial Healthcare Group, Inc. d/b/a Memorial Hospital Jacksonville

www.memorialhospitaljax.com

Square Feet: 19,611 or 14.80% of the property

*Lease Expiration: January, 2011**

Square Feet: 10,280 or 7.75% of the property

*Lease Expiration: February, 2010**

Square Feet: 9,296 or 7.01% of the property

*Lease Expiration: June, 2010**

Founded in 1969, Memorial Hospital Jacksonville is a 353-bed acute care hospital owned by Hospital Corporation of America (HCA). The hospital currently has a staff of more than 1,900 employees and more than 700 physicians in 15 medical specialties. The hospital is also known for its programs of technological advances, as well as growth and expansion to meet the ongoing needs of the community. HCA is the largest for-profit health system in the country with \$25 billion in revenues and \$23 billion in assets as of December 31, 2006. HCA currently operates 179 hospitals and 104 freestanding surgery centers in 20 states, as well as London, England and Geneva, Switzerland. HCA is not a guarantor under the leases with Memorial Healthcare Group, Inc. ***Option to terminate at any time with 90 days notice and no termination fee.**





Location Information¹

Jacksonville is the largest city in the state of Florida, and the largest city in terms of land area in the contiguous United States. Incorporated in 1832, it was named in honor of President Andrew Jackson, the first military governor of Florida. Located in the northeastern corner of the state on the banks of the St. Johns River, Jacksonville is the state's leading transportation and distribution hub. The strength of the city's economy lies in its broad diversification and is balanced among distribution, financial services, biomedical technology, consumer goods, information services, manufacturing, and other industries. Jacksonville has the largest deepwater port in the South Atlantic and is a leading port in the United States for automobile imports.

1. www.coj.net – Official Website for the City of Jacksonville, Florida

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 total office market for the Jacksonville area has experienced market vacancy decrease of 0.1 percentage points from the end of the 4th quarter 2006 to the end of the 3rd quarter 2007.
- Overall market rental rates increased the past year from \$18.38 in 4th quarter 2006 to \$18.94 at the end of the 3rd quarter 2007, this amounts to an increase of \$0.56 or 3.1% overall.

Economic Trends¹

- The Jacksonville Metropolitan Area (MSA) is the 40th largest MSA in the United States with approximately 1.3 million residents as of 2006.
- The biggest news for Jacksonville, according to REIS, is the massive new facility under development at Jacksonville's port; upon completion it could help Jacksonville to emerge as the third-largest port on the East Coast.
- According to the U.S. Department of Labor, Bureau of Labor and Statistics, non-agricultural employment as of July 2007 was up 2.4% from 12 months earlier, while the professional and business services sector in the Jacksonville MSA increased by 3.8% from July 2006 through July 2007.

1. CoStar 3rd Quarter 2007 Report; REIS Q3 2007 Report; US Census Bureau; Memorial Hospital Jacksonville website; Brooks Rehabilitation Hospital website.





Property Strengths

- Nearly 32.5 percent of the total tenant space does not roll over until August 2021. These long-term leases help to provide additional stabilized income.
- A majority of the in-place leases are triple-net leases; allowing the owners to transfer the risk of rising operating costs to the tenants.
- According to the U.S. Census; the state of Florida is forecasted to be the 3rd fastest growing state, behind Nevada and Arizona, in terms of population in the United States from 2000-2030. Also according to the U.S. Census, the state of Florida is forecasted to be the 4th fastest growing state in terms of population over 65 years of age, behind Nevada, Alaska, and Arizona, but the largest in terms of population with a growth of nearly five million people from 2000-2030.

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 ten 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.**
- **Although the manager has contracted to purchase the property, no assurances can be given that the company will acquire the property.**
- **The property consists of a leasehold interest in the office center and the land underlying it pursuant to the ground lease with an original term of 99 years and an expiration date of July 1, 2099. Because of the long term remaining on the ground lease, no assurance can be given that the company is able to sell and/or refinance the property without material adverse impact from the ground lease.**
- **The property is largely dependent on two tenants, Memorial Hospital Jacksonville and Brooks Rehabilitation Hospital, which collectively represent 83 percent of the property - the loss of which could negatively impact its cash flow.**
- **Unless extended by the tenants, the leases representing approximately 59 percent of the property will expire within the next five calendar years. In addition, the leases representing approximately 17 percent of the property contain early termination options.**
- **Purchasers of the property will be restricted by provisions of the ground lease and the declaration of covenants and restrictions that limit the type of activities for which the property may be used, which may make it more difficult to lease or sell the property in the future.**
- **Because a majority of the tenants at the property are largely dependent on the healthcare industry, an adverse change in the healthcare industry could negatively affect the ability of such tenants to make lease payments and the cash flow generated by the property.**

TIC Offering

- Offering Size: \$14,040,000
- Price Per 1% Ownership: \$140,400 equity and \$194,580 assumed debt
- Minimum Investment per SPE: 3.00% = \$421,200 equity and \$583,740 assumed debt for a total purchase price of \$1,004,940
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$702,000
- 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.

TIC Projected Annual Cash-on-Cash Yield

\$421,200 Investment Per SPE

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6.25%	6.30%	6.35%	6.38%	6.45%	6.50%	6.65%	6.80%	7.07%	7.77%

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
6.25%	6.30%	6.35%	6.38%	6.45%	6.50%	6.65%	6.80%	7.07%	7.77%

Projected Annualized Returns

Terminal Cap Rate	TIC Return	LLC Return
7.25%	11.47%	11.18%
7.50%	10.57%	10.34%
7.75%	9.72%	9.56%
8.00%	8.93%	8.82%
8.25%	8.18%	8.13%

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 39 million square feet of real estate in 29 states valued in excess of \$5.4 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 293 properties to date. Triple Net and affiliates have sold 107 properties for more than \$2.5 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 Jacksonville Medical Plaza, LLC PPM dated January 30, 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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