

NNN 5202 Presidents Court, 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 November 13, 2007.

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



Property Summary

5202 Presidents Court is a four-story, approximately 233,000-square-foot office building in Frederick, Maryland, midway between Baltimore and Washington, D.C., both of which lie approximately 50 miles away. Built in 1998 on nearly 24 acres within the Westview Corporate Center, the property is surrounded by numerous amenities, including the city's largest shopping center, six hotels, a fitness center, and a day-care facility. 5202 Presidents Court offers convenient access to Interstate 270, which connects Frederick with the metropolitan suburbs of Washington, D.C. The property includes a surface lot with 995 parking spaces for a ratio of 4.54 spaces per 1,000 square feet. 5202 Presidents Court is 96 percent leased to three tenants, including JP Morgan Chase Bank, Bechtel Power Corporation, and Science Applications International Corporation.

Property Information

- Address: 5202 Presidents Court
Frederick, MD 21703
- Building Type: Office
- Year Built: 1998
- Total SF: 233,027
- % Leased: 96%

Financial Information

- Offering Purchase Price: \$66,050,000
- Offering Price Per SF: \$283.44
- Purchase Date: 4th Quarter 2007
- Offering LTV: 59.05%
- Offering Price Cap Rate: 5.73%
- 1st Year Cash Flow: 6.00%
- Loan Terms: The loan is assumed to have an overall effective fixed interest rate of 6.24%, a ten-year term and will be interest only for the first six years of the ten-year term. **The effective interest rate of 6.24% reflects a buy down of 26 basis points by paying a fee of 2% of the loan or \$780,000.**

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 (3 Total Tenants)

Bechtel Power Corporation

www.bechtel.com

Square Feet: 26,170, 42,964, 52,391

Lease Expiration: 7/2010, 7/2012**, 3/2013*** (Respectively)*

Bechtel Power Corporation is a world leader in designing and building fossil-fueled generating plants. Its capabilities range from combustion turbine facilities to solid fuel and gasification combined-cycle plants. Bechtel's PowerLine family of standard designs for fossil-generating plants is redefining power generation through lower costs, higher net present value, maximum reliability, and short construction schedules. Since the earliest commercial nuclear reactors a half-century ago, Bechtel Power has played a pivotal role in every phase of the industry's development. It has designed and/or built more than half of the nuclear power plants in the United States, and it currently provides operating services to many of those plants and others as well. ***Option to terminate every three months with 60 days notice if space is no longer required to service US Army contract, with payment of unamortized lease up costs.** ****Option to terminate effective July, 2009 with 6 months notice and payment of a penalty of 12 months rent (\$715,329) and unamortized TI/LC costs.** *****Option to terminate effective March, 2011 with 6 months notice and payment of a penalty of 12 months rent (\$995,132) and unamortized TI/LC costs.**

JP Morgan Chase Bank, National Association

www.jpmorganchase.com

Square Feet: 75,996 or 32.61% of the property

Lease Expiration: 9/2011

JP Morgan Chase & Co. is a leading global financial services firm with assets of \$1.3 trillion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset and wealth management, and private equity. A component of the Dow Jones Industrial Average, JP Morgan Chase & Co. has its corporate headquarters in New York and its U.S. retail financial services and commercial banking headquarters in Chicago. Under the JP Morgan and Chase brands, the firm serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients.





Location Information¹

Located in the western part of the state, Frederick, Maryland is situated less than one hour from both Baltimore and Washington, D.C. The city has served as a major crossroads since colonial times, and today it is positioned at the junction of Interstate 70, Interstate 270, U.S. Route 340, U.S. Highway 40 and U.S. Route 15. Frederick is rich in colonial and Civil War history, and is home to both major defense and cultural institutions. It is home to the United States Army's Fort Detrick, the city's largest employer, as well as BP Solar, one of the largest solar panel factories in the country. According to estimates provided by the U.S. Census Bureau, Frederick's total population was approximately 60,000 people in 2006.

1. Sources: Bureau of Labor Statistics, U.S. Department of Labor and United States 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.

Office Market¹

- Vacancy rates continue to remain in the single digits, decreasing this quarter to 9.16 percent in the 3rd quarter 2007.
- Rental rates will continue to rise as landlords push to reach pro forma on new construction. Demand for higher quality space will also help to facilitate increasing rental rates and maintain low vacancy. During the 3rd quarter, the rental rate in suburban Maryland increased to \$26.54 from \$26.17 per square foot.

Economic Trends

- Over the last six years, the Frederick County area has created more than 11,000 new jobs, dropping the unemployment rate to 2.9 percent as of August 2007, a 12 percent drop from August 2006. This is well below the September 2007 national average of 4.7 percent.²
- Frederick County has drawn several major corporations to the market in the last few years, including CitiBank, Marriott, United Health Care, Prudential, Wells Fargo and State Farm. The driver of this relocation has been the lower cost basis for companies as well as a lower cost of living for employees residing in Frederick County.³

1. CB Richard Ellis, "Suburban Maryland Office MarketView" 3Q 2007

2. Bureau of Labor Statistics, U.S. Department of Labor

2. McShea Real Estate Review. "Frederick County" 3Q 2007





TIC Offering

- Offering Size: \$27,050,000
- Price Per 1% Ownership: \$270,500 equity and \$390,000 assumed debt
- Minimum Investment per SPE: 3.00% = \$811,500 equity and \$1,170,000 assumed debt for a total purchase price of \$1,981,500
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$1,352,500
- 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

- The property is currently occupied by credit worthy tenants. JP Morgan has an AA credit rating and Science Applications International Corporation has an A- credit rating. Although Bechtel is a privately held company and does not have a public credit rating, the manager believes that due to its 2006 revenues in excess of \$20 billion, Bechtel poses a minimal credit risk to the investor.
- Current in-place rents at the property average \$16.29 triple net, which is below the current market rents of \$17.50 triple net.
- The property is located 45 miles northwest of Washington D.C. and 50 miles west of Baltimore, Maryland. It is located in the path of progress along I-270 and benefits from a lower cost of living compared to that of Montgomery County to the south.
- The leases for all of the tenants require triple net reimbursement; meaning the tenants are responsible for all operating expenses.

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.**
- **There is a large dependence upon two tenants. Betchel Power Corporation leases 121,525 square feet of office space, or approximately 52 percent of the property, and JP Morgan Chase leases 75,996 square feet or 33 percent of the property.**
- **The purchase of the property is contingent upon the receipt of tenant estoppels that acknowledge pro rata sharing of cafeteria expenses.**
- **Unless extended by the tenants, the leases representing all of the tenants currently at the property will expire within the next five calendar years. In addition, the leases representing approximately 59 percent of the property contain early termination options.**
- **The purchase price per square foot for the property is higher than the purchase price per square foot for similar properties in the Frederick County submarket.**
- **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

\$811,500 Investment Per SPE

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6.00%	6.04%	6.11%	6.19%	6.63%	7.00%	7.34%	7.67%	7.57%	8.44%

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
6.00%	6.04%	6.11%	6.19%	6.63%	7.00%	7.34%	7.67%	7.57%	8.44%

Projected Annualized Returns

Terminal Cap Rate	TIC Return	LLC Return
6.50%	14.11%	13.12%
6.75%	12.96%	12.14%
7.00%	11.89%	11.23%
7.25%	10.90%	10.39%
7.50%	9.97%	9.60%

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 NNN 5202 Presidents Court, LLC PPM dated November 13, 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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