

# NNN HUNTER 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 19, 2007.

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



## PROPERTY SUMMARY

Hunter Plaza is an approximately 106,000-square-foot retail center on two non-contiguous parcels totaling more than 11 acres in Irving, a suburb of Dallas, Texas. Located within five miles of Dallas/Fort Worth International Airport and along one of the most heavily traveled thoroughfares in Texas, Interstate Highway 636, the property enjoys excellent access and visibility, as well as a healthy ratio of 6.54 parking spaces per 1,000 feet (691 total spaces). Constructed in 2005-2006, Hunter Plaza is currently 90% leased to seven tenants, including Best Buy Stores and 24 Hour Fitness, which anchor the property.

## PROPERTY INFORMATION

- ◆ Address: 1800-2280 Market Place Blvd.  
Irving, Texas 75063
- ◆ Building Type: Retail Center
- ◆ Built: 2005-2006
- ◆ Total SF: 105,864
- ◆ % Leased: 90%

## FINANCIAL INFORMATION

- ◆ Offering Purchase Price: \$32,595,000
- ◆ Offering Price Per SF: \$307.90
- ◆ Purchase Date: First Quarter, 2007
- ◆ Offering LTV: 69.03%
- ◆ Offering Price Cap Rate: 5.98%
- ◆ 1st Year Cash Flow: 6.00%
- ◆ Loan Terms: The Loan is assumed to have a fixed interest rate of approximately 5.8% and a 10 year term, interest only for the entire term of the Loan. The interest rate of 5.8% reflects a buy down of the interest rate by paying a fee equal to 1% of the Loan or \$225,000, which will reduce the interest rate by 13 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.*

## MAJOR TENANTS (7 TOTAL TENANTS)



**BEST BUY STORES, L.P.**  
Sq. Ft.: 45,702 Lease Exp.: 01/2016

Best Buy Stores, L.P., is a wholly owned subsidiary of Best Buy Co., Inc. Best Buy Co., Inc. (S&P: BBB/Stable) operates as a specialty retailer of consumer electronics, home-office products, entertainment software, appliances, and related services. It operates retail stores and commercial Web sites under the brand names Best Buy, Future Shop, Magnolia Audio Video, and Geek Squad, as well as an outlet store on eBay. Best Buy Co., Inc. offers a full range of products, including: video, audio, home-office, entertainment software, computer software, subscriptions and appliances. As of the end of fiscal year 2006, Best Buy Co., Inc. operated approximately 924 retail stores in the United States and Canada. **\*Performance of the Property is dependant upon the allocation of increased real estate taxes, if any. Pursuant to the tenant's lease, any tax attributable to an increase in valuation resulting solely from the sale or refinancing (as opposed to periodic reassessment) of the Property cannot be charged to the tenant.**



**24 HOUR FITNESS USA, INC.**  
Sq. Ft.: 35,600 Lease Exp.: 11/2026

24 Hour Fitness USA, Inc. owns and operates more than 350 fitness centers that offer aerobic, cardiovascular, and weight lifting activities to the company's more than 3 million members. Some facilities also feature squash, racquetball, and basketball courts; swimming pools; steam and sauna rooms; tanning rooms; and whirlpools. It is one of the only fitness chains open 24 hours a day. The centers are located in 16 states in the United States, as well as in Asia.

## RETAIL MARKET<sup>1</sup>

- ◆ Active residential development, high population growth rates and job creation provide a firm bedrock for Dallas area retail.
- ◆ Construction completion and net absorption volumes for the latest quarter are 319,000 and 194,000 square feet respectively.

## ECONOMIC TRENDS<sup>1</sup>

- ◆ Non-farm employment as of August 2006 was up 2.9% (57,800 jobs) from 12 months earlier. Job growth has been particularly strong in the Professional and Business Services category, for which the BLS reports a gain of 8.9% (26,500 jobs) over the last 12-month span.
- ◆ The Dallas area unemployment rate is 4.6%, down from 5.1% a year earlier.

1. REIS, Retail Asset Advisor, "Metro: Dallas," 3Q 2006



## 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.**
- ◆ **The Property is currently not under contract and no assurance can be given that the purchase will occur when anticipated or at all.**
- ◆ **There is a large dependence on two tenants that collectively lease approximately 77% of the Property: Best Buys Stores, L.P. currently leases 45,702 square feet and 24 Hour Fitness currently leases approximately 35,600 square feet.**
- ◆ **New construction in the Dallas/Fort Worth retail market (approximately 6.8 million square feet under construction) could potentially compete with the Property and there is no assurance that the Property Manager will be able to maintain the current tenants or attract new tenants. Additionally, there are approximately 5 acres of commercially zoned undeveloped land owned by the Seller adjacent to the Property.**

## TIC OFFERING

- ◆ Offering Size: \$10,095,000
- ◆ Price Per 1% Ownership: \$100,950 equity and \$225,000 assumed debt
- ◆ Minimum Investment per SPE: 3.00% = \$302,850 equity and \$675,000 assumed debt for a total purchase price of \$977,850
- ◆ Suitability: Accredited Investors Only

## LLC OFFERING

- ◆ Offering Size: \$1,629,750
- ◆ Price Per Unit: \$5,000
- ◆ Minimum Investment: \$25,000
- ◆ Suitability: Accredited Investors Only



## LOCATION INFORMATION<sup>1</sup>

With a population approaching six million, the thriving Dallas/Fort Worth Metroplex area is one of the largest metropolitan regions in the United States. Median household income outpaces the U.S. average by more than 10%, while the cost of living and local unemployment rate are both below the national average. Population growth since 2000 has been a brisk 10.47%, and is projected to continue at a rate of 11.76% through the end of the decade. Dallas/Fort Worth has also proven to be an attractive draw for business, and was ranked second in the nation by Site Selection magazine for "overall business climate."

1. Sources: United States Bureau of Labor Statistics, United States Census Bureau, Retail-Asset Advisor Reis Observer, 2006 Q3.

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: \$302,850 INVESTMENT PER SPE

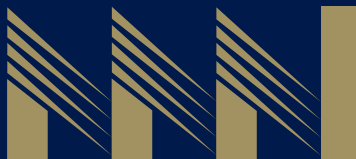
Year	1	2	3	4	5	6	7	8	9	10	Total
Projected Cash-on-Cash Return	6.00%	6.03%	6.09%	6.15%	6.20%	6.25%	6.33%	6.48%	6.56%	6.75%	
Cash Distribution	\$18,165	\$18,272	\$18,443	\$18,619	\$18,775	\$18,917	\$19,180	\$19,611	\$19,855	\$20,445	\$190,281
Projected Profit											\$59,986
Return of Capital											\$302,850
Total											\$553,117
Projected Total Annualized Return (based on a terminal cap rate of 6.50%)											8.26%

### LLC CASH FLOW PROJECTIONS: \$25,000 INVESTMENT

Year	1	2	3	4	5	6	7	8	9	10	Total
Projected Cash-on-Cash Return	6.00%	6.03%	6.09%	6.15%	6.20%	6.25%	6.33%	6.48%	6.56%	6.75%	
Cash Distribution	\$1,499	\$1,508	\$1,522	\$1,537	\$1,550	\$1,562	\$1,583	\$1,619	\$1,639	\$1,688	\$15,708
Projected Profit											\$4,853
Return of Capital											\$25,000
Total											\$45,560
Projected Total Annualized Return (based on a terminal cap rate of 6.50%)											8.22%

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.



## TRIPLE NET PROPERTIES, LLC

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 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.\*

1551 N. Tustin Avenue ◆ Suite 300 ◆ Santa Ana ◆ California ◆ 92705  
 (877) 888-7348 ◆ [www.1031NNN.com](http://www.1031NNN.com)

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

January 19, 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 Hunter Plaza, LLC PPM dated January 19, 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.