

# NNN LANDING 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 November 29, 2005.

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



## PROPERTY SUMMARY

The Landing Apartments is a 200-unit multi-family community located in Durham, North Carolina. The Property is located approximately 8 miles northwest of Durham's central business district. The Property has 12 two- and three-story buildings, a clubhouse, fitness center, laundry facility, three playgrounds, two tennis courts and a pool. The Property is approximately 93% occupied.

## PROPERTY INFORMATION

- ◆ Address: 18 Weather Hill Circle  
Durham, NC 27705
- ◆ Building Type: Multi-Family
- ◆ Year Built: 1986
- ◆ Total SF: 192,200
- ◆ % Occupied: 93%

## FINANCIAL INFORMATION

- ◆ Offering Purchase Price: \$14,800,000
- ◆ Offering Price Per SF: \$77.00
- ◆ Offering Price Per Unit: \$74,000
- ◆ Purchase Date: Fourth Quarter, 2005
- ◆ Offering LTV: 65.54%
- ◆ Offering Price Cap Rate: 6.09%
- ◆ 1<sup>st</sup> Year Cash Flow: 6.25%
- ◆ Loan Terms: The Loan is assumed to have a fixed interest rate of 5.61%, a 10 year term, interest only for years 1 through 4 and a 30 year amortization period thereafter.

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 MARKET<sup>(1)</sup>

- ◆ Each month, over 3,000 people move to the Raleigh-Durham area making the Raleigh-Durham MSA one of the fastest growing areas in the nation.
- ◆ The Raleigh-Durham-Chapel Hill MSA population recently eclipsed the one million mark and currently stands at 1,366,038 (Please note that the MSA includes Wake, Durham, Orange, Johnston, Franklin and Chatham counties).

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.

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

- ◆ The Raleigh-Durham-Chapel Hill MSA population recently eclipsed the one million mark and currently stands at 1,366,038 (Please note that the MSA includes Wake, Durham, Orange, Johnston, Franklin and Chatham counties).
- ◆ The MSA's population has risen by more than 59% since 1990, indicating that the area is a major draw not only for new companies but for people as well.
- ◆ Due to the strong and diverse economy of the Raleigh-Durham-Chapel Hill region, the unemployment rate continues to be below the state and national averages at 4.7% compared to 6.5% and 5.3% respectively.

(1) Carolinas Real Data Raleigh-Durham Chapel Hill August 2005 Apartment Index and Apartment Realty Advisors Triangle Apartment Market Analysis and Apartment Realty Advisors Raleigh-Durham-Chapel Hill Metro Overview.

## PROPERTY INFORMATION

Type of Unit	Number of Units	Unit Size in Square Feet
1 bd / 1 ba	68 units	750 sq. ft.
2 bd / 2 ba	40 units	1,000 sq. ft.
2 bd / 2 ba	92 units	1,100 sq. ft.

## UNIT INFORMATION

- Wall-to-wall carpet
- Washer/dryer connections
- Spacious bathrooms
- Smoke alarms
- Central heat and air conditioning
- Frost-free refrigerators
- Private patios/balconies
- Dishwashers
- Garbage disposal

The Property has certain items of maintenance and would benefit from the upgrades described below. The Master Tenant intends to use proceeds from the Loan held in escrow by the Lender to fund replacement of certain siding, sheetrock exterior, HVAC units, roofs, playground equipment, to resurface the tennis courts, to purchase new fitness center equipment and refurbish the clubhouse, and make general interior improvements, on an as needed basis (as determined by the Master Tenant, in its sole discretion). The upgrades are intended to add value to the Property.

## COMMUNITY AMENITIES

- On-site management
- Three playgrounds
- Tennis courts
- Laundry facilities
- Fitness center

## BUSINESS PLAN

- ◆ It is the intent of the Master Tenant to provide stable cash flow with potential for capital appreciation through a Master Lease agreement.
- ◆ Maintain the high occupancy that currently exists in the property and increase rental revenues through aggressive marketing while controlling operating expenses.
- ◆ Make monthly distributions to investors from the rent derived from the master lease.
- ◆ Market the property for sale in approximately 5-10 years to realize potential capital appreciation, based on improving market conditions and terms of the Master Lease.
- ◆ **There is no guarantee that the business plan will be successfully executed the property's value will be enhanced or the property will be sold in the time period described above.**
- ◆ **No assurance can be given that the rent will be paid during the entire term of the Master Lease.**
- ◆ **Overbuilding of multi-family units in many areas of the nation has materially and adversely impacted the vacancy rate and economic performance of many properties.**

## TIC OFFERING

- ◆ Offering Size: \$5,100,000
- ◆ Price Per 1% Ownership: \$51,000 cash and \$97,000 assumed debt.
- ◆ Minimum Investment per SPE: 3.000% = \$153,000 equity, \$291,000 assumed debt for a total purchase price of \$444,000
- ◆ Suitability: Accredited Investors Only

## LLC OFFERING

- ◆ Offering Size: \$51,000
- ◆ Price Per Unit: \$5,000
- ◆ Minimum Investment: \$25,000
- ◆ Suitability: Accredited Investors Only



## LOCATION INFORMATION<sup>(2)</sup>

Durham County has evolved from an agricultural and manufacturing economy to achieve world-class status in the areas of medicine, research and high technology. In the process, it has become one of the country's most desirable places to live. Raleigh, the state capital of North Carolina together with the cities of Durham and Chapel Hill, and the Town of Cary comprise the Research Triangle area of North Carolina. The internationally known Research Triangle Park is home to more than 50 major research and development organizations including IBM, Ciba Geigy, Glaxo-Wellcome and NorTel. Durham is a single-city county of nearly 227,034 residents. Known as the "CITY OF MEDICINE, USA," Durham is also home to Duke and North Carolina Central Universities.

(2) [www.co.durham.nc.us](http://www.co.durham.nc.us)

### TIC CASH FLOW PROJECTIONS: \$153,000 INVESTMENT

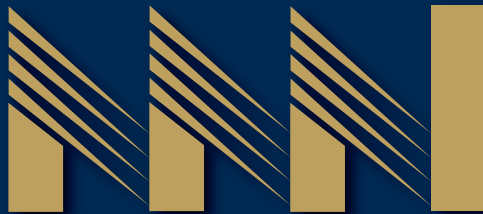
Year	1	2	3	4	5	6	7	8	9	10	Total
Projected Cash-on-Cash Return	6.25%	6.25%	6.25%	6.25%	6.25%	6.58%	6.91%	7.24%	7.59%	7.94%	
Cash Distribution	\$9,563	\$9,563	\$9,563	\$9,563	\$9,563	\$10,060	\$10,566	\$11,085	\$11,614	\$12,154	\$103,291
Projected Profit											\$102,465
Return of Capital											\$153,000
Total											\$358,757
Projected Total Annualized Return (based on a terminal cap rate of 7.50%)											13.45%

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

Year	1	2	3	4	5	6	7	8	9	10	Total
Projected Cash-on-Cash Return	6.25%	6.25%	6.25%	6.25%	6.25%	6.58%	6.91%	7.24%	7.59%	7.94%	
Cash Distribution	\$1,563	\$1,563	\$1,563	\$1,563	\$1,563	\$1,644	\$1,727	\$1,811	\$1,898	\$1,986	\$16,878
Projected Profit											\$14,700
Return of Capital											\$25,000
Total											\$56,577
Projected Total Annualized Return (based on a terminal cap rate of 7.50%)											12.63%

*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, leasing and property management. Triple Net currently manages a growing portfolio of over 26 million square feet of property in 23 states valued at over \$3.2 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 179 properties to date. Triple Net and affiliates have sold 51 properties valued at over \$750 million since 2000.\*

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4 Hutton Centre Drive ◆ Suite 700 ◆ South Coast Metro ◆ California ◆ 92707 ◆ (714) 667-8252  
November 29, 2005

\*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 Landing Apartments, LLC PPM dated November 29, 2005 ("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.