

# NNN NORTHWOODS, 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 September 25, 2006.

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

- ◆ 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 31 million square feet of property in 27 states valued at over \$4.2 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 215 properties to date. Triple Net and affiliates have sold 69 properties valued at over \$1.37 billion since 2000.\*

1551 N. Tustin Avenue ◆ Suite 200 ◆ 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  
 September 25, 2006

\* 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 Northwoods, LLC PPM dated September 25, 2006. 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.



## PROPERTY SUMMARY

Northwoods is a 115,770 square foot, 3-story office building located in the Worthington submarket of Columbus, Ohio. The property is located 15 miles north of downtown Columbus and is located directly on High Street (Route 23), a four-lane major artery located 1/4 mile north of I-270. The Property is situated on approximately 6 acres and provides tenants with ample parking including 424 surface parking spaces and 29 underground executive spaces for a total of 453 parking spaces. Northwoods is approximately 99% leased to 16 tenants including: Molina Healthcare, Inc., WFS Financial, AIG, Lawyers Title Insurance Corporation and Salem Media.

## PROPERTY INFORMATION

◆ Address:	8101 North High Street Columbus, OH 43235
◆ Building Type:	Office Building
◆ Built:	1988
◆ Total SF:	115,770
◆ % Leased:	99%

## FINANCIAL INFORMATION

◆ Offering Purchase Price:	\$13,740,000
◆ Offering Price Per SF:	\$118.68
◆ Purchase Date:	Fourth Quarter, 2006
◆ Offering LTV:	59.68%
◆ Offering Price Cap Rate:	6.72%
◆ 1st Year Cash Flow:	7.08%
◆ Loan Terms:	The Loan is assumed to have an effective fixed interest rate of 6.238%, a 10 year term and will be interest only for years 1 through 5, with 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.*

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.

## MAJOR TENANTS (16 TOTAL TENANTS)



**MOLINA HEALTHCARE OF OHIO, INC.**  
Sq. Ft.: 47,082 Lease Exp.: 12/2013

Molina Healthcare of Ohio, Inc. is a wholly-owned subsidiary of Molina Healthcare, Inc. ("Molina"). Molina (NYSE: MOH) is a managed healthcare companies serving patients who have traditionally faced barriers to quality healthcare – including individuals covered under Medicaid, the Healthy Families Program, the State Children's Health Insurance Program and other government-sponsored health insurance programs. Molina focuses primarily on the Medicaid and low-income population, and is committed to case management, member outreach and low-literacy programs.



**WFS FINANCIAL**  
Sq. Ft.: 8,097 Lease Exp.: 04/2011\*

In 1973, WFS Financial Inc ("WFS") was an auto loan lender that began operations with one dealer in one state. It grew quickly, expanding its territory and making auto loans to consumers through automobile dealerships across California. Today, over 30 years later, WFS has become a national lender with approximately 8,600 dealer relationships nationwide. With a portfolio of over \$12 billion, WFS is the nation's largest non-captive securitizer of automobile contracts. It offers a full spectrum of prime and non-prime credit quality automobile loans through its network of dealer relationships and also offer refinancing and end-of-term leasing options directly to consumers. WFS Financial was formerly traded on the NASDAQ, but became a wholly owned subsidiary of Wachovia Corporation after its purchase in March 2006. **\*Tenant has option to terminate lease after May 2009 with six months notice and payment of termination fee.**

## OFFICE MARKET<sup>1</sup>

- ◆ At midyear 2006, the Columbus office market appears to be on an upswing. Vacancy rates have remained reasonably stable since the end of 2005, with decreasing rates in the Downtown, Northeast and Northwest Suburban submarkets.
- ◆ With absorption at high levels and vacancy rates decreasing in key markets, the outlook for the Columbus office market for the remainder of 2006 is good.

## ECONOMIC TRENDS<sup>2</sup>

- ◆ The unemployment rate in the Columbus Metropolitan Statistical Area decreased during second quarter 2006 from 5.3% at the end of first quarter to a rate of 4.4% currently.
- ◆ Economy.com forecasts slow but steady growth of around 10,000 jobs per year for the area, with 2006 expected to be slightly higher and 2007 lower.

1. Colliers Turley Martin Tucker, Market Report - Columbus, OH, 2Q 2006  
2. CB Richard Ellis, Columbus Office Marketview, 2Q 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 not under contract and no assurance can be given that the purchase will occur when anticipated or at all.**
- ◆ **There is a high 26.1% vacancy rate in the Worthington submarket of Columbus.**
- ◆ **There is a large dependence on one tenant. When its expansion is completed, Molina Healthcare of Ohio, Inc. ("Molina") will occupy 47,082 square feet, or approximately 40.67% of the Property, under a lease that expires in December, 2013.**
- ◆ **Unless extended by the tenants, the leases representing approximately 57.74% of the Property, will expire within the next five calendar years. In addition, leases representing 13.03% of the Property, contain early termination options.**

## TIC OFFERING

- ◆ Offering Size: \$5,540,000
- ◆ Price Per 1% Ownership: \$55,400 equity and \$82,000 assumed debt
- ◆ Minimum Investment per SPE: 3.00% = \$166,200 equity and \$246,000 assumed debt for a total purchase price of \$412,200
- ◆ Suitability: Accredited Investors Only

## LLC OFFERING

- ◆ Offering Size: \$277,000
- ◆ Price Per Unit: \$5,000
- ◆ Minimum Investment: \$25,000
- ◆ Suitability: Accredited Investors Only



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

The city of Columbus was founded in 1812 and has served as the state capital since 1816. The city has gradually grown into the most populous city in the state of Ohio. Helping to facilitate this population growth has been the city's tremendous land area expansion. Annexation has enabled the city to grow from 39.9 square miles in 1950 to over 225.9 square miles today.

1. City of Columbus Official Website, [www.cityofcolumbus.org](http://www.cityofcolumbus.org)

### TIC CASH FLOW PROJECTIONS: \$166,200 INVESTMENT PER SPE

Year	1	2	3	4	5	6	7	8	Total
Projected Cash-on-Cash Return	7.08%	7.18%	7.23%	7.41%	7.51%	7.62%	7.71%	7.80%	
Cash Distribution	\$11,766	\$11,927	\$12,021	\$12,322	\$12,478	\$12,658	\$12,811	\$12,958	\$98,942
								Projected Profit	\$45,046
								Return of Capital	\$166,200
								Total	\$310,188
								Projected Total Annualized Return (based on a terminal cap rate of 8.75%)	10.83%

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

Year	1	2	3	4	5	6	7	8	Total
Projected Cash-on-Cash Return	7.08%	7.18%	7.23%	7.41%	7.51%	7.62%	7.71%	7.80%	
Cash Distribution	\$1,770	\$1,794	\$1,808	\$1,853	\$1,877	\$1,904	\$1,927	\$1,949	\$14,883
								Projected Profit	\$5,927
								Return of Capital	\$25,000
								Total	\$45,810
								Projected Total Annualized Return (based on a terminal cap rate of 8.75%)	10.40%

*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.*