

Plantations at Haywood, 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 May 2, 2008.

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

About PLANTATIONS AT HAYWOOD, LLC



Property Summary

Plantations at Haywood is a 562-unit garden style apartment community in Greenville, South Carolina, approximately two miles east of the city's central business district. Situated on nearly 38 landscaped acres, the approximately 662,000-square-foot property consists of 40 residential buildings, and separate buildings for both the clubhouse and the leasing center. Built in three phases in 1981, 1991 and 2001, Plantations at Haywood features numerous community amenities, including three swimming pools, three tennis courts, onsite laundry, an outdoor spa, picnic areas, a car care center, a playground, fitness center, and a sports court with walking track. The property offers spacious floor plans and an average unit size of approximately 1,200 square feet. Individual amenities include washer/dryer connections, screened-in porches/patios or sunrooms, wood burning fireplaces, ceiling fans, and exterior storage. Plantations at Haywood offers tenants ample parking with 902 parking spaces, which results in a parking ratio of 1.6 spaces per unit. The property is currently 96 percent occupied.

Address

135 Haywood Crossing Drive
Greenville, SC 29607

Building Type

Multifamily

Year Built

Phase I: 1981, Phase II: 1991 and
Phase III: 2001

Total Square Foot

662,038

Percentage Occupied

96%

Unit Amenities

- Patios, balconies or sunrooms
- Wood-burning fireplaces
- Washer and dryer connections
- Ceiling fans
- Exterior storage
- Crown molding
- Chair rail

Community Amenities

- Clubhouse with kitchen and bar
- Fitness center
- Laundry facility
- Three resort-style pools
- Jacuzzi
- Three tennis courts and a sports court
- Playground
- Car care center
- Storage units available for rent

<i>Unit Type</i>	<i>Unit Size in SQ. FT.</i>	<i>Number of Units</i>	<i>Average Market Rent Per Unit</i>
Phase I - 1 BD/1 BA	890	58	\$580
Phase I - 2 BD/2 BA	1,218	160	\$699
Phase I - 3 BD/2 BA	1,482	42	\$789
Phase II - 1 BD/1 BA	902	60	\$675
Phase II - 2 BD/2 BA	1,489	44	\$861
Phase II - 3 BD/2 BA	1,507	12	\$890
Phase III - 1 BD/1 BA	760	28	\$675
Phase III - 2 BD/2 BA	1,231	56	\$825
Total/Average	1,178	562	\$737

Why GREENVILLE, SOUTH CAROLINA?

■ Location Information¹

Combined with mild winters, large lakes for boating and fishing, more than 200 mountain waterfalls and a dynamic business community, Greenville, South Carolina is a booming community located midway between the cities of Atlanta, Georgia and Charlotte, North Carolina. Greenville's economy was formerly based largely on textile manufacturing, and the city was once known as "The Textile Capital of the World." However, today it is an active business community anchored by a combination of advanced manufacturing, automotive, healthcare, technology and financial firms. In addition, Greenville is one of the leading engineering centers in the country. The North American headquarters for Michelin, the U.S. manufacturing arm of BMW, and the center of operations for South Financial Group are all located in Greenville, South Carolina.

1. Source: www.britannica.com

2. REIS, MetroTrend Data, Greenville Apartment Market, 4Q 2007

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

■ Apartment Market²

- According to REIS, the vacancy rate among Greenville apartment communities declined from 12.2 percent in the first quarter of 2005 to 7.7 percent in the fourth quarter of 2007.
- According to REIS, the property is located in the South Greenville County submarket. As of the fourth quarter of 2007, the submarket had a vacancy rate of 9.0 percent. The South Greenville County submarket also experienced effective rent growth of 3.7 percent in 2007.

■ Economic Trends³

- Greenville's proximity and lower cost of living compared to Atlanta and Charlotte, as well as the Port of Charleston, have attracted many jobs and facilities to the region.
- The Greenville Metropolitan Statistical Area (MSA) consists of Greenville County, Laurens County and Pickens County. According to Census Bureau estimates, the Greenville MSA had a population of 613,828 as of July 1, 2007, representing a 2.22 percent increase since July 1, 2006.
- The Bureau of Labor Statistics ("BLS") reported the Greenville MSA unemployment rate to be 5.0 percent as of February 2008, below the state's overall unemployment rate of 5.9 percent and the national unemployment rate of 5.2 percent reported for the same time period.*

*Percentages not seasonally adjusted.

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.



Why PLANTATION AT HAYWOOD, LLC?

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 five 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.

Points to Consider

- There can be no assurances that the property manager will be able to renew expiring leases or lease vacant spaces in the property.
- Competition from apartment communities in the surrounding geographic area could impact rental rates and the ultimate value of the property.
- There is no guarantee that the property will generate cash flow.
- Although the manager has contracted to purchase the property, no assurances can be given that the company will acquire the property.
- The property may require capital improvements that could negatively affect cash flow.

Property Highlights

- As of April 30, 2008, the property was approximately 96 percent occupied and the manager believes that occupancy rates will remain high during the holding period.
- The property is conveniently located near many retail and employment centers as well as interchanges for major interstates. In addition, the property is near Downtown Greenville, which has experienced growth and revitalization as evidenced by its new hotels, condominium buildings, and arena. The property is also located near several areas expected to experience growth in the future, including the ICAR and Millennium campuses.
- The property has recently completed residing and roof replacement in nearly all of its Phase II buildings, exterior carpentry repairs on its Phase I buildings, and other exterior maintenance including sidewalk repairs and repainting metal railings, which will allow the company to focus its capital expenditures on unit and amenity upgrades rather than addressing deferred maintenance.
- The property offers the largest units on average compared to competitors in its submarket, has many attractive amenities, and has historically experienced high occupancy rates. As a result, the manager believes the property has the potential to achieve growth in its rental rates as a result of continued improvement in the market and completing planned unit and amenity upgrades.



Financial Information

- **Offering Purchase Price:** \$45,540,000
- **Offering Price Per Unit:** \$81,032.03
- **Purchase Date:** 2nd Quarter 2008
- **Offering LTV:** 53.10%
- **Offering Price Cap Rate:** 5.92%
- **1st Year Cash Flow:** 6.23%
- **Loan Terms:** The loan is assumed to have an overall effective fixed interest rate of 5.601 percent, a three-year initial term with two one-year extension options. If either of the one-year extension options is exercised, the interest rate for each extension option will be fixed at the one-year interest rate swap plus 235 basis points at the time of extension. **The effective interest rate of 5.601 percent for the initial three-year term reflects a buy down of 30 basis points by paying a fee of 0.867 percent of the loan or \$209,688.**

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.

TIC Offering

- **Offering Size:** \$21,360,000
- **Price per 1% Ownership:** \$213,600 equity and \$241,800 assumed debt
- **Minimum Investment per SPE:** 3.00% = \$640,800 equity and \$725,400 assumed debt for a total purchase price of \$1,366,200
- **Suitability:** Accredited investors only

LLC Offering

- **Offering Size:** \$1,068,000
- **Price Per Unit:** \$5,000
- **Minimum Investment:** \$25,000
- **Suitability:** Accredited investors only



TIC Projected Annual Cash-on-Cash Yield

\$640,800 Investment Per SPE

Year 1	Year 2	Year 3	Year 4	Year 5
6.23%	6.25%	6.39%	6.67%	7.08%

LLC Projected Annual Cash-on-Cash Yield

\$25,000 Investment

Year 1	Year 2	Year 3	Year 4	Year 5
6.23%	6.25%	6.39%	6.67%	7.08%

Projected Annualized Returns

Terminal Cap Rate	TIC Return	LLC Return
6.00%	14.45%	13.41%
6.25%	12.47%	11.72%
6.50%	10.64%	10.16%
6.75%	8.94%	8.72%
7.00%	7.36%	7.36%

Terminal Cap Rate Sensitivity

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 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.

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*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 Plantations at Haywood, LLC PPM dated May 2, 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.

■ Grubb & Ellis Realty Investors, LLC

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