

NNN Retreat at Stonecrest, 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 30, 2007.

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



Property Summary

The Retreat at Stonecrest is a 276-unit Class A apartment community in the Atlanta suburb of Lithonia, Georgia. Located on more than 15 landscaped acres, the approximately 288,000-square-foot property includes 10 residential buildings and an inviting separate building that houses the community's leasing, fitness and business centers. The Retreat at Stonecrest provides a spacious average unit size of 1,044 square feet and offers many high-end unit features, including full-size washer/dryer connections, oversized closets, ceiling fans, and air conditioning. Community amenities include a sparkling swimming pool with sun deck, gated access, and playground. The Retreat at Stonecrest enjoys ready access to Interstate 20, Covington Highway, and Klondike Road, affording residents convenient accessibility to all of Greater Atlanta. The property is approximately 96 percent occupied, and features a generous parking ratio of 1.8 spaces per unit.

Property Information

- Address: 40 Amanda Drive
Lithonia, GA 30058
- Building Type: Multifamily
- Year Built: 2002
- Total SF: 288,240
- Total Apt. Units: 276
- % Occupied: 96%

Financial Information

- Offering Purchase Price: \$25,480,000
- Offering Price Per Unit: \$92,319
- Purchase Date: 2nd Quarter, 2007
- Offering LTV: 65.35%
- Offering Price Cap Rate: 6.19%
- 1st Year Cash Flow: 6.23%
- Loan Terms: The loan is assumed to have a fixed interest rate of approximately of 5.84% and a 10 year term. The loan will be interest only for years one through five with a 30 year amortization schedule thereafter. **The interest rate of 5.84% reflects a buy down of the interest rate by paying a fee equal to 3% of the loan or \$499,500, which will reduce the interest rate by 39 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.

Unit Amenities

- Nine-Foot Ceilings
- Dishwashers
- Garbage Disposal
- Refrigerators with icemaker
- Full-Size Washer & Dryer Connections
- Ceiling Fans
- Private Patio/Balcony
- 24-Hour Emergency Maintenance

Community Amenities

- Clubhouse
- Swimming Pool
- Playground
- Fitness Center
- Business Center with High Speed Internet
- Controlled-Access Entry Gates

Unit Breakdown

Type of Unit	Number of Units	Unit Size in SF	Average Effective Rent Per Unit
1 BD/1BA	114	890	\$750
2BD/2 BA	120	1,120	\$895
2 BD/2 BA	24	1,170	\$920
3 BD/2 BA	18	1,350	\$1050
Total/Average	276	1,044	\$847





Location Information¹

The Retreat at Stonecrest is located in the Southeast DeKalb County submarket of Atlanta, Georgia. DeKalb County is the third largest county in Georgia and offers its residents high quality employment, housing, and shopping within its borders. The county is served by Metropolitan Atlanta Rapid Transit Authority (MARTA) and four major interstates (I-20, I-85, I-285 and I-675). More than half of the Fortune 500 companies in Atlanta have operations in DeKalb County. According to the Atlanta Regional Commission's (ARC) population estimates, DeKalb County experienced population growth of 44,535 people from 2000 to 2006, bringing its total population to 710,400 people. Since 1990, DeKalb County has grown by approximately 156,600 people or 28.5 percent. Southeast DeKalb's population is growing even faster than projections for the county as a whole. By 2030 the submarket's population is expected to increase by 58 percent and employment is expected to increase by 88 percent.

1. Sources: Dekalb County Office of Economic Development and Atlanta Regional Commission.

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.

Apartment Market

- Construction of apartment units continues to decline across the metro, which is expected to support vacancy improvements through the year. Multifamily developers have favored condo projects over the past several years, which continues to suppress apartment inventory growth.¹
- According to REIS, annual asking rent growth between 2008 and 2011 is expected to be between 2.4 percent and 3.0 percent. During the same time frame, annual effective rent growth is expected to be between 2.8 percent and 3.4 percent.²

Economic Trends

- Atlanta-area employers created 45,800 positions last year, but job growth slowed during the second half of the year. Employment growth has since reaccelerated with over 10,000 new jobs estimated in the first quarter.¹
- The Bureau of Labor Statistics reports an unemployment rate of 3.9 percent for the Atlanta MSA as of March 2007, a decrease from 4.5 percent a year earlier.²

1. Marcus & Millichap's Apartment Research Market Update, "Metro: Atlanta Area," 1Q 2007

2. REIS, Apartment Asset Advisor, "Metro: Atlanta," 1Q 2007





TIC Offering

- Offering Size: \$8,830,000
- Price Per 1% Ownership: \$88,300 equity and \$166,500 assumed debt
- Minimum Investment per SPE: 3.00% = \$264,900 equity and \$499,500 assumed debt for a total purchase price of \$764,400
- Suitability: Accredited Investors Only

LLC Offering

- Offering Size: \$441,500
- 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 approximately 96% leased, and the manager believes that occupancy rates will remain high during the holding period.
- The Property is in good condition, which will enable the manager to focus its capital expenditures on upgrades to the Property rather than deferred maintenance.
- The Property is favorably located in DeKalb County, the third most populated county in Georgia:
 - o close to I-20 and I-285 expressways;
 - o near the Hartsfield-Jackson Airport;
 - o close to shopping and entertainment, including the Stonecrest Mall, which features 1.2 million square feet of retail space and several readily recognized brand name stores; and
 - o in a public school district that consistently ranks above the national average.

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 10 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 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.**

TIC Projected Annual Cash-on-Cash Yield									
\$264,900 Investment Per SPE									
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6.23%	6.30%	6.37%	6.44%	6.55%	6.61%	6.64%	6.69%	6.73%	7.03%

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
6.23%	6.30%	6.37%	6.44%	6.55%	6.61%	6.64%	6.69%	6.73%	7.03%

Projected Annualized Returns		
Terminal Cap Rate	TIC Return	LLC Return
6.00%	14.08%	11.91%
6.25%	12.68%	10.81%
6.50%	11.39%	9.79%
6.75%	10.20%	8.85%
7.00%	9.09%	7.97%
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, development, construction, leasing and property management. Triple Net currently manages a growing portfolio of over 35 million square feet of property in 28 states valued at more than \$4.7 billion. Although past performance is no guarantee of future results, Triple Net Properties, LLC has an unparalleled track record and has acquired 252 properties to date. Triple Net and affiliates have sold 91 properties for over \$2.1 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 Retreat at Stonecrest, LLC PPM dated May 30, 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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