

"I have worked with Bob Arbour and Triple Net Equities in the acquisition and subsequent disposition of approximately \$30m of real estate. I have enjoyed working with Bob, and would happily do so in the future. He is resourceful and creative and has a very good sense of what is practical. I have found him to have a high level understanding of tax, accounting and finance theory, and to be able to make effective use of it in structuring transactions. Bob is unfalteringly professional and articulate and I believe him to be committed to the highest degree of ethical standards". George Hicks, Chief Financial Officer, American Retirement Corporation. (NYSE-Listed)



George Hicks
CFO

American Retirement Corporation



"I have been in the Real-Estate Business almost 50 years, and have not had a better representative or more creative Broker to work with. Your innovative thoughts and different approaches to the financing were refreshing. Thank you for representing us in the purchase of two of the properties - they fit our location and type of product to a "T". David Horne, FIRST CAPITALCORP

Regards



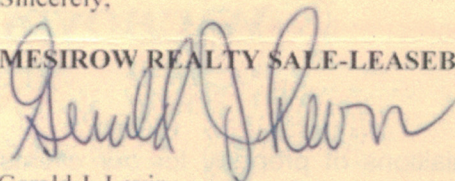
David Horne

FIRST CAPITALCORP

"We have closed sales and financings in excess of \$40 million with him (Triple Net Equities, Inc.). We enjoy working with Bob and find him both intelligent and creative, while always conducting himself with a very high degree of integrity. He has a wide variety of relevant experience and knowledge in real estate, finance, accounting and tax to draw upon and creativity to find solutions and to get deals closed. I would recommend him without reservation". Gerald J. Levin, Senior Managing Director, Mesirow Realty Sale-Leaseback, Inc. ("MRSI")

Sincerely,

MESIROW REALTY SALE-LEASEBACK, INC.



Gerald J. Levin
Senior Managing Director



Testimonials

Integrity. Expertise. Performance.

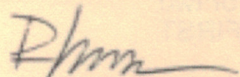
"Completed a \$22 million sale-leaseback transaction with the assistance of Triple Net Equities, and particularly, Bob Arbour. We found Mr. Arbour to be honest, forthright and extremely capable. He was, perhaps, more knowledgeable than anyone I've met regarding the accounting and tax ramifications of sale/leaseback transactions. Bob demonstrated a high degree of loyalty and trustworthiness in his work and successfully completed an extremely challenging assignment for us. We valued his services immensely and I would recommend him highly and without reservation". Boyd R. Plowman, EVP, Chief Financial Officer, Fleetwood Enterprises, Inc. (NYSE-Listed, Fortune 500 Company)



Boyd R Plowman



"I have had the privilege of working with Bob. I have used many Brokers from the National level as well as the smaller boutique companies. Bob's abilities of understanding the complexities and trends of real estate are hands down way beyond the grasp of most Brokers. He has an innate ability to bring value deals to the table, specific to the Buyers actual position, not to simply meet a 1031 need. His advice has been invaluable".

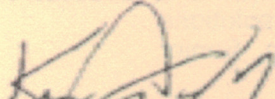


Brett Jensen



"Wachovia Securities has worked with Triple Net Equities, Inc., closing in excess of \$50 Million Dollars, in both capacity of buyer and seller. We have found that they (Triple Net Equities, Inc.) consistently provide a high level of expertise and service; as well as, access to properties that are not being widely marketed. Robert Arbour, President of Triple Net Equities, Inc. has an extensive background in real estate and finance. His strong knowledge of real estate tax and issues has proved very valuable in completing our transactions. Bob has an excellent ability to communicate with both institutional and individual participants in the real estate market and can recognize the nuances that can make or break a deal. I appreciate that we can count on them to deliver as promised". Kenneth R. Carpenter, Director, Wachovia Securities.

Sincerely,



Kenneth R. Carpenter, Jr.

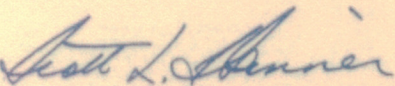
Director

Wachovia Securities



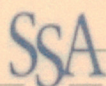
WACHOVIA

"Triple Net Equities has brokered the closing of multimillion dollar acquisitions of property for our clients. Triple Net Equities offers a unique resource in the form of specialized technical expertise which adds value to a specific transaction". Scott L. Skinner, CPA, Scott Skinner & Associates, Inc.



Scott L. Skinner, CPA

Scott Skinner & Associates, Inc.



SCOTT SKINNER & ASSOCIATES, INC.

Certified Public Accountants

Triple Net Equities, Inc.

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Zero Cash Flow Case Studies

I have personally closed in excess of \$500,000,000 of zeros. Here are some examples:

1. **Basis Replacement:** An investor was faced with a dilemma. Their partnership had repaid a non-recourse loan of \$5,500,000. Having no remaining basis, they were facing a \$2,500,000 ordinary income tax on the deemed distribution. Instead, I was able to identify a property that required less than \$1,000,000 of equity along with the assumption of \$5,900,000 of non-recourse fully amortizing debt that more than replaced the deemed distribution with a deemed contribution. The result was no income recognition, resulting in an immediate cash benefit of \$1,500,000 and getting a new quality property instead of a tax bill.
2. **Exchange Cash Out:** An investor was selling a property for about \$6,000,000. They searched the market for a good replacement, but were dissatisfied with current cap rates. They decided to acquire a zero with a revolver loan. They completed their trade by investing about \$2,500,000 of equity, available from the relinquished property escrow, using the paydown provision contained in the existing loan documents. After closing, they were able to increase the loan amount by nearly \$2,000,000, thus obtaining cash to invest in other property along with the replacement property that may also be traded down the road.
3. **Low Equity Property Trade:** An investor sold a \$20,000,000 apartment building with very little basis and very little equity. I was able to identify a property that they could acquire for just over \$26,000,000 with 12% down, allowing them to fully defer the very large gain from the relinquished property. The tenant came back to the investor a year later wanting to nearly double the building size. This led to a major home run for the investor on minimal equity.
4. **Value Recognition:** A New York Stock Exchange listed firm wanted to prove that their real estate was worth more than book value, but would incur a large taxable gain if they sold a property. Instead, I was able to find zeros with a re-advance revolver feature that allowed them to defer gain recognition for tax purposes, but recognize gain for book purposes. They

realized substantially more cash than would have been realized on a taxable sale and gained a new completely passive investment asset. I later profitably sold this asset for them.

5. **Debt Replacement with Companion Property:** An investor was selling about \$17,000,000 of property with \$11,000,000 of debt. Their initial idea was to acquire net leased property with approximately 60% financing. The investor was concerned about possible interest rate increases, so they wanted self-amortizing debt. Given today's low cap rates, they were not pleased with the results. Instead, I was able to identify sufficient zeros to replace the debt portion at over 85% leverage, allowing them to deploy the remaining equity flexibly to achieve their cash flow objectives. I was then able to find a companion property, as well. The combined investments achieved all of their original objectives more easily, with greater cash flow and greater safety. Of course, the companion property could have been any qualifying real estate, even raw land for development, which is often hard to finance.
6. **Estate Building:** A client was looking to acquire property for his minor children's benefit. Seeking to maximize the portfolio without creating real estate management headaches for his children, he acquired zero cash flow properties for less than 15% equity. Sadly, this young investor died a few years later. He took large tax write offs from interest and depreciation during his lifetime. His children inherited a multi million-dollar portfolio with stepped up basis.

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