Cole Credit Property Trust II Inc
Form 424B3
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Registration No. 333-138444

COLE CREDIT PROPERTY TRUST II, INC.
SUPPLEMENT NO. 2 DATED JULY 23, 2007
TO THE PROSPECTUS DATED MAY 11, 2007

This document supplements, and should be read in conjunction with, the prospectus of Cole Credit Property Trust II, Inc. dated May 11, 2007 and Supplement No. 1 dated May 16, 2007. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) the status of the offering of shares in Cole Credit Property Trust II, Inc.;
(2) recent real property investments;
(3) potential real property investments; and
(4) updated annual operating results of prior real estate programs.

Status of Our Public Offerings

We commenced our initial public offering on June 27, 2005. We terminated our initial public offering on May 22, 2007. As of the close of business on May 22, 2007, we had issued a total of 54,838,315 shares in our initial public offering, including 53,909,877 shares sold in the primary offering and 928,438 shares sold pursuant to our distribution reinvestment plan, resulting in gross offering proceeds to us of approximately $547 million.

We commenced our follow-on offering of 150,000,000 shares of common stock on May 23, 2007. Of these shares, we are offering 125,000,000 shares in a primary offering and 25,000,000 shares pursuant to our distribution reinvestment plan. As of July 17, 2007, we had accepted investors subscriptions for, and issued, approximately 8,000,000 shares of our common stock in the follow-on offering, resulting in gross proceeds to us of approximately $80 million. Combined with our initial public offering, we had raised a total of approximately $627 million as of July 17, 2007.

Replace and Supplement Real Property Investments

The following information supplements and should be read in conjunction with the table in the section captioned Prospectus Summary Description of Real Estate Investments beginning on page 7 of the prospectus.

Description of Real Estate Investments

As of July 23, 2007, we owned 216 properties, comprising approximately 9.0 million rentable square feet of commercial space located in 42 states and the U.S. Virgin Islands. Properties acquired between May 16, 2007, the date of our last prospectus supplement, and July 23, 2007 are listed below.

Property Description	Tenant	Rentable Square Feet	Purchase Price
CVS Florence, SC	Florence CVS, Inc.	10,125	$ 2,625,000
Eckerd Spartanburg (Main), SC	Eckerd Corporation	10,908	3,475,000
Staples Warsaw, IN	Staples the Office Superstore East, Inc.	23,990	3,215,000
Walgreens Bryan, TX	Walgreen Co.	15,050	6,325,000
Walgreens Harris County, TX	Walgreen Co.	15,050	5,650,000
Tractor Supply Fairview, TN	Tractor Supply Company	19,067	2,970,000
Borders Rapid City, SD	Borders, Inc.	20,000	6,461,000
Borders Reading, PA	Borders, Inc.	25,023	6,261,000
Walgreens Gainesville, FL	Walgreen Co.	13,905	3,625,000
Chili s Fredericksburg, TX	Brinker Texas, L.P.	5,494	2,314,000
Tractor Supply Baytown, TX	Tractor Supply Company	22,670	3,310,000
Winco Eureka, CA	Winco Foods, LLC	82,490	16,300,000
Eckerd Vineland, NJ	Eckerd Corporation	14,910	5,000,000

Eckerd	Mantua, NJ	Eckerd Corporation	8,710	2,050,000
Best Buy (Super Value)	Warwick, RI	Best Buy Stores, LP	64,514	7,300,000
Best Buy	Evanston, IL	Best Buy Stores, LP	45,397	8,250,000
Academy Sports	Houston, TX	Academy, LTD	53,381	5,400,000

Property Description	Tenant	Rentable Square Feet	Purchase Price
Starbucks Covington, TN	Starbucks Corporation	1,805	1,516,000
Starbucks Sedalia, MO	Starbucks Corporation	1,800	1,227,000
Kroger La Grange, GA	The Kroger Co.	61,331	7,293,750
La-Z-Boy Kentwood, MI	La-Z-Boy Showcase Shoppes of Detroit, Inc.	30,245	5,145,386
Circuit City Mesquite, TX	Circuit City Stores, Inc.	42,918	7,825,000
Tractor Supply Prior Lake, MN	Tractor Supply Company	36,183	5,050,000
Circuit City Distribution Center Groveland, FL	Circuit City Stores, Inc.	706,560	27,548,810
Walgreens Fort Worth, TX	Walgreen Co.	15,120	4,855,153
Kohls Lake Zurich, IL	Kohl s Department Stores, Inc.	88,306	12,712,730
EDS Salt Lake City, UT	EDS Information Services, LLC	406,101	22,824,824
Lowe s Cincinnati, OH	Lowe s Home Centers, Inc.	129,044	20,558,483
Walgreens Kansas City (Linwood), MO	Walgreen Co.	13,905	3,750,000
Walgreens Kansas City (Troost), MO	Walgreen Co.	13,905	4,928,000
Walgreens Kansas City (63rd St), MO	Walgreen Co.	13,905	4,335,000
Walgreens Kansas City (Independence), MO	Walgreen Co.	13,905	4,598,000
Walgreens Topeka, KS	Walgreen Co.	13,905	3,121,950
CVS Amarillo, TX	Eckerd Corporation	9,504	2,791,067
Taco Bell Brazil, IN	Southern Bells, Inc.	1,993	1,969,655
Taco Bell Henderson, KY	Southern Bells, Inc.	2,320	1,552,607
Academy Sports Baton Rouge, LA	Academy Louisiana Co.	52,500	6,942,782
Taco Bell Washington, IN	Southern Bells, Inc.	2,093	1,255,545
Taco Bell Robinson, IL	Southern Bells, Inc.	1,944	1,550,672
Taco Bell Princeton, IN	Southern Bells, Inc.	2,436	1,424,328
Eckerd Mableton, GA	Eckerd Corporation	8,996	1,850,637
Taco Bell/KFC Spencer, IN	Southern Bells, Inc.	2,296	964,865
CVS Del City, OK	Eckerd Corporation	10,906	4,179,502
Taco Bell Anderson, IN	Southern Bells, Inc.	2,166	1,725,514
Academy Sports North Richland Hills, TX	Academy, LTD	52,500	6,292,471
Dave and Buster s Addison, IL	Dave and Buster s, Inc.	50,000	13,928,571
Academy Sports Houston (Southwest), TX	Academy, LTD	52,548	7,138,821
Academy Sports Houston (Breton), TX	Academy, LTD	53,381	4,724,567
Eckerd Chattanooga, TN	Eckerd Corporation	10,909	2,797,644
Taco Bell/KFC Vinceness, IN	Southern Bells, Inc.	2,691	1,478,690
Taco Bell Martinsville, IN	Southern Bells, Inc.	2,057	1,973,552
LJS/A&W Houston, TX	LJS Restaurants, Inc.	34,094	1,204,821
Dickinson Theatre Yukon, OK	Dickinson Theatres, Inc.	27,442	4,550,000
Circuit City Taunton, MA	Circuit City Stores, Inc.	32,748	7,860,000
Telerx Kings Mountain, NC	TelerX Marketing, Inc.	60,000	8,690,000
Staples Guntersville, AL	Staples the Office Super Store East, Inc.	23,942	3,325,000
Fed Ex Peoria, IL	Federal Express Corporation	38,200	3,200,000
		2,577,288	$321,192,397

The following information supplements, and should be read in conjunction with, the section of our prospectus captioned Investment Objectives and Policies Real Property Investments beginning on page 84 of the prospectus.

Real Property Investments

We engage in the acquisition and ownership of commercial properties throughout the United States. We invest primarily in income-generating retail properties, net leased to investment grade and other creditworthy tenants.

As of July 23, 2007, we, through separate wholly-owned limited partnerships or limited liability companies, had acquired a 100% fee simple interest in 216 properties consisting of approximately 9.0 million gross rentable square feet located in 42 states and the U.S. Virgin Islands. The properties generally were acquired through the use of mortgage notes payable and proceeds from our ongoing public offering of our common stock.

The following table summarizes properties acquired between May 16, 2007, the date of our last prospectus supplement, and July 23, 2007 in order of acquisition date:

Property	Type	Date Acquired	Year Built	Purchase Price	Fees Paid To Sponsor (1)	Rentable Square Feet	Physical Occupancy
CVS Florence, SC	Drugstore	May 17, 2007	1998	$ 2,625,000	$ 69,563	10,125	100%
Eckerd Spartanburg (Main), SC	Drugstore	May 17, 2007	1998	3,475,000	92,088	10,908	100%
Staples Warsaw, IN	Office supply	May 17, 2007	1998	3,215,000	82,800	23,990	100%
Walgreens Bryan, TX	Drugstore	May 18, 2007	2001	6,325,000	167,610	15,050	100%
Walgreens Harris County, TX	Drugstore	May 18, 2007	2000	5,650,000	149,730	15,050	100%
Tractor Supply Fairview, TN	Specialty retail	May 25, 2007	2007	2,970,000	78,705	19,067	100%
Borders Rapid City, SD	Specialty retail	June 1, 2007	1999	6,461,000	173,150	20,000	100%
Borders Reading, PA	Specialty retail	June 1, 2007	1997	6,261,000	167,790	25,023	100%
Walgreens Gainesville, FL	Drugstore	June 1, 2007	1997	3,625,000	97,150	13,905	100%
Chili s Fredericksburg, TX	Restaurant	June 5, 2007	1985	2,314,000	61,320	5,494	100%
Tractor Supply Baytown, TX	Specialty retail	June 11, 2007	2007	3,310,000	88,710	22,670	100%
Starbucks Covington, TN	Restaurant	June 22, 2007	2006	1,516,000	30,320	1,805	100%
Starbucks Sedalia, MO	Restaurant	June 22, 2007	2006	1,227,000	24,540	1,800	100%
Winco Eureka, CA	Grocery store	June 27, 2007	1960	16,300,000	446,470	82,490	100%
Eckerd Vineland, NJ	Drugstore	June 27, 2007	1997	5,000,000	135,000	14,910	100%
Eckerd Mantua, NJ	Drugstore	June 27, 2007	1993	2,050,000	55,700	8,710	100%
Best Buy (Super Value) Warwick, RI	Specialty retail	June 27, 2007	1992	7,300,000	199,500	64,514	100%
Best Buy Evanston, IL	Specialty retail	June 27, 2007	1996	8,250,000	224,000	45,397	100%
Academy Sports Houston, TX	Specialty retail	June 27, 2007	1995	5,400,000	146,250	53,381	100%
Kroger La Grange, GA	Grocery store	June 28, 2007	1998	7,293,750	193,500	61,331	100%
La-Z-Boy Kentwood, MI			1986	5,145,386	138,928	30,245	100%

		Specialty retail	June 28, 2007					
Circuit City	Mesquite, TX	Specialty retail	June 29, 2007	1996	7,825,000	199,550	42,918	100%
Tractor Supply	Prior Lake, MN	Specialty retail	June 29, 2007	1991	5,050,000	133,833	36,183	100%
Staples	Guntersville, AL	Office supply	July 6, 2007	2001	3,325,000	88,113	23,942	100%
Walgreens	Kansas City (Independence), MO	Drugstore	July 11, 2007	1997	4,598,000	121,860	13,905	100%
Walgreens	Topeka, KS	Drugstore	July 11, 2007	1999	3,121,950	81,139	13,905	100%
Walgreens	Kansas City (Linwood), MO	Drugstore	July 11, 2007	2000	3,750,000	99,375	13,905	100%
Walgreens	Kansas City (Troost), MO	Drugstore	July 11, 2007	2000	4,928,000	123,200	13,905	100%
Walgreens	Kansas City (63rd St), MO	Drugstore	July 11, 2007	2000	4,335,000	117,045	13,905	100%

Property	Type	Date Acquired	Year Built	Purchase Price	Fees Paid To Sponsor (1)	Rentable Square Feet	Physical Occupancy
Dickinson Theatre Yukon, OK	Theaters	July 17, 2007	2007	4,550,000	91,000	27,442	100%
Telerx Kings Mountain, NC	Marketing	July 17, 2007	2007	8,690,000	234,630	60,000	100%
CVS Amarillo, TX	Drugstore	July 19, 2007	1994	2,791,067	73,231	9,504	100%
Taco Bell Brazil, IN	Restaurant	July 19, 2007	1996	1,969,655	39,393	1,993	100%
Taco Bell Henderson, KY	Restaurant	July 19, 2007	1992	1,552,607	31,052	2,320	100%
Academy Sports Baton Rouge, LA	Sporting goods	July 19, 2007	1996	6,942,782	185,726	52,500	100%
Taco Bell Washington, IN	Restaurant	July 19, 2007	1995	1,255,545	25,111	2,093	100%
Taco Bell Robinson, IL	Restaurant	July 19, 2007	1994	1,550,672	31,013	1,944	100%
Taco Bell Princeton, IN	Restaurant	July 19, 2007	1992	1,424,328	28,487	2,436	100%
Eckerd Mableton, GA	Drugstore	July 19, 2007	1994	1,850,637	48,983	8,996	100%
Taco Bell/KFC Spencer, IN	Restaurant	July 19, 2007	1999	964,865	19,297	2,296	100%
CVS Del City, OK	Drugstore	July 19, 2007	1998	4,179,502	109,900	10,906	100%
Taco Bell Anderson, IN	Restaurant	July 19, 2007	1995	1,725,514	34,510	2,166	100%
Academy Sports North Richland Hills, TX	Sporting goods	July 19, 2007	1996	6,292,471	168,019	52,500	100%
Dave and Buster s Addison, IL	Restaurant	July 19, 2007	2006	13,928,571	334,571	50,000	100%
Academy Sports Houston (Southwest), TX	Sporting goods	July 19, 2007	1996	7,138,821	189,026	52,548	100%
Academy Sports Houston (Breton), TX	Sporting goods	July 19, 2007	1995	4,724,567	124,941	53,381	100%
Eckerd Chattanooga, TN	Drugstore	July 19, 2007	1997	2,797,644	75,153	10,909	100%
Taco Bell/KFC Vinceness, IN	Restaurant	July 19, 2007	2000	1,478,690	29,574	2,691	100%
Taco Bell Martinsville, IN	Restaurant	July 19, 2007	1986	1,973,552	39,471	2,057	100%
LJS/A&W Houston, TX	Restaurant	July 19, 2007	2004	1,204,821	24,096	34,094	100%
	Distribution		1997	3,200,000	84,800	38,200	100%

Federal Express Peoria, IL	July 20, 2007			
		$321,192,397	$8,427,353	2,577,288

(1) Fees paid to sponsor include payments made to an affiliate of our advisor for acquisition fees in connection with the property acquisition and payments to our advisor for finance coordination fees for services in connection with the origination or assumption of debt financing obtained to acquire the respective property. For more detailed information on fees paid to affiliates of our sponsor, see the section captioned Management Compensation beginning on page 58 of the prospectus.

The following table sets forth the principal provisions of the lease terms for the major tenants at each property listed above:

Property	Number of Tenants	Major Tenants*	Total Square Feet Leased	% of Total Square Feet Leased	Renewal Options **	Current Annual Base Rent	Base Rent per Square Foot	Lease Term Beginning	Lease Term To
CVS Florence, SC	1	Florence CVS, Inc.	10,125	100%	4/5 yr.	$ 177,188	$ 17.50	5/17/2007	1/31/2019
Eckerd Spartanburg (Main), SC	1	Eckerd Corporation	10,908	100%	4/5 yr.	268,555	24.62	5/17/2007	9/28/2018
Staples Warsaw, IN	1	Staples the Office Superstore East, Inc.	23,990	100%	4/5 yr.	261,491	10.90	5/17/2007	5/31/2013
Walgreens Bryan, TX	1	Walgreen Co.	15,050	100%	8/5 yr.	432,900	28.76	5/18/2007	4/30/2021
Walgreens Harris County, TX	1	Walgreen Co.	15,050	100%	8/5 yr.	389,340	25.87	5/18/2007	3/31/2021
Tractor Supply Fairview, TN	1	Tractor Supply Company	19,067	100%	4/5 yr.	216,420	11.35	5/25/2007	5/4/2022
Borders Rapid City, SD	1	Borders, Inc.	20,000	100%	5/5 yr.	465,923	23.30	6/1/2007	3/31/2016
Borders Reading, PA	1	Borders, Inc.	25,023	100%	4/5 yr.	451,392	18.04	6/1/2007	1/31/2019
Walgreens Gainesville, FL	1	Walgreen Co.	13,905	100%	8/5 yr.	262,800	18.90	6/1/2007	1/31/2018
Chili s Fredericksburg, TX	1	Brinker Texas, L.P.	5,494	100%	2/5 yr.	162,000	29.49	6/5/2007	11/30/2025
Tractor Supply Baytown, TX	1	Tractor Supply Company	22,670	100%	4/5 yr.	235,000	10.37	6/11/2007	5/29/2022
Winco Eureka, CA	1	Winco Foods, LLC	82,490	100%	2/5 yr.	1,043,955	12.66	6/27/2007	6/23/2016
Eckerd Vineland, NJ	1	Eckerd Corporation	14,910	100%	4/5 yr.	363,310	24.37	6/27/2007	3/5/2019
Eckerd Mantua, NJ	1	Eckerd Corporation	8,710	100%	4/5 yr.	157,227	18.05	6/27/2007	6/17/2014
Best Buy (Super Value) Warwick, RI	1	Best Buy Stores, LP	64,514	100%	4/5 yr.	537,625	8.33	6/27/2007	2/1/2020
Best Buy Evanston, IL	1	Best Buy Stores, LP	45,397	100%	3/5 yr.	576,300	12.69	6/27/2007	2/26/2017
Academy Sports Houston, TX	1	Academy, LTD	53,381	100%	4/5 yr.	379,277	7.11	6/27/2007	5/31/2015

Starbucks Covington, TN	1	Starbucks Corporation	1,805	100%	4/5 yr.	105,376	58.38	6/22/2007	4/30/2017
Starbucks Sedalia, MO	1	Starbucks Corporation	1,800	100%	4/5 yr.	85,302	47.39	6/22/2007	3/31/2017
Kroger La Grange, GA	1	The Kroger Co.	61,331	100%	N/A	531,126	8.66	6/28/2007	1/31/2018
La-Z-Boy Kentwood, MI	1	La-Z-Boy Showcase Shoppes of Detroit, Inc.	30,245	100%	4/5 yr.	385,904	12.76	6/28/2007	10/31/2017
Circuit City Mesquite, TX	1	Circuit City Stores, Inc.	42,918	100%	4/5 yr.	586,844	13.67	6/29/2007	1/31/2017
Tractor Supply Prior Lake, MN	1	Tractor Supply Company	36,183	100%	4/5 yr.	366,000	10.12	6/29/2007	6/4/2022
Circuit City Distribution Center Groveland, FL	1	Circuit City Stores, Inc.	706,560	100%	2/10 yr.	1,830,075	2.59	7/17/2007	8/31/2021
Walgreens Fort Worth, TX	1	Walgreen Co.	15,120	100%	8/5 yr.	305,842	20.23	7/17/2007	11/30/2019
Kohls Lake Zurich, IL	1	Kohl s Department Stores, Inc.	88,306	100%	6/5 yr.	800,902	9.07	7/17/2007	1/30/2021

Property	Number of Tenants	Major Tenants*	Total Square Feet Leased	% of Total Square Feet Leased	Renewal Options **	Current Annual Base Rent	Base Rent per Square Foot	Lease Term Beginning	Lease Term To
EDS Salt Lake City, UT	1	EDS Information Services, LLC	406,101	100%	3/5 yr.	593,418	1.46	7/17/2007	7/31/2016
Lowe s Cincinnati, OH	1	Lowe s Home Centers, Inc.	129,044	100%	6/5 yr.	1,227,509	9.51	7/17/2007	2/28/2019
Walgreens Kansas City (Linwood), MO	1	Walgreen Co.	13,905	100%	8/5 yr.	264,400	19.01	7/11/2007	1/31/2018
Walgreens Kansas City (Troost), MO	1	Walgreen Co.	13,905	100%	8/5 yr.	348,000	25.03	7/11/2007	3/31/2020
Walgreens Kansas City (63rd St), MO	1	Walgreen Co.	13,905	100%	8/5 yr.	307,857	22.14	7/11/2007	12/31/2019
Walgreens Kansas City (Independence), MO	1	Walgreen Co.	13,905	100%	8/5 yr.	323,291	23.25	7/11/2007	12/31/2017
Walgreens Topeka, KS	1	Walgreen Co.	13,905	100%	8/5 yr.	228,000	16.40	7/11/2007	9/30/2019
CVS Amarillo, TX	1	Eckerd Corporation	9,504	100%	4/5 yr.	187,488	19.73	7/19/2007	12/3/2014
Taco Bell Brazil, IN	1	Southern Bells, Inc.	1,993	100%	3/5 yr.	142,800	71.65	7/19/2007	5/17/2021
Taco Bell Henderson, KY	1	Southern Bells, Inc.	2,320	100%	3/5 yr.	114,117	49.19	7/19/2007	5/17/2021
Academy Sports Baton Rouge, LA	1	Academy Louisiana Co., LLC	52,500	100%	4/5 yr.	455,582	8.68	7/19/2007	6/30/2017
Taco Bell Washington, IN	1	Southern Bells, Inc.	2,093	100%	3/5 yr.	93,538	44.69	7/19/2007	5/17/2021
Taco Bell Robinson, IL	1	Southern Bells, Inc.	1,944	100%	3/5 yr.	116,300	59.83	7/19/2007	5/17/2021
Taco Bell Princeton, IN	1	Southern Bells, Inc.	2,436	100%	3/5 yr.	106,825	43.85	7/19/2007	5/17/2021
Eckerd Mableton, GA	1	Eckerd Corporation	8,996	100%	4/5 yr.	135,490	15.06	7/19/2007	1/28/2014
Taco Bell/KFC Spencer, IN	1	Southern Bells, Inc.	2,296	100%	3/5 yr.	71,400	31.10	7/19/2007	5/17/2021
CVS Del City, OK	1	Eckerd Corporation	10,906	100%	4/5 yr.	283,290	25.98	7/19/2007	10/6/2018
	1		2,166	100%	3/5 yr.	124,237	57.36	7/19/2007	5/17/2021

Taco Bell Anderson, IN		Southern Bells, Inc.							
Academy Sports N Richland Hills, TX	1	Academy, LTD	52,500	100%	4/5 yr.	450,850	8.59	7/19/2007	5/31/2007
Dave and Buster s Addison, IL	1	Dave and Buster s, Inc.	50,000	100%	3/5 yr.	975,000	19.50	7/19/2007	5/31/2024
Academy Sports Houston (Southwest), TX	1	Academy, LTD	52,548	100%	4/5 yr.	494,548	9.41	7/19/2007	2/1/2017
Academy Sports Houston (Breton), TX	1	Academy, LTD	53,381	100%	4/5 yr.	325,550	6.10	7/19/2007	6/30/2015
Eckerd Chattanooga, TN	1	Eckerd Corporation	10,909	100%	4/5 yr.	201,276	18.45	7/19/2007	7/25/2017
Taco Bell/KFC Vinceness, IN	1	Southern Bells, Inc.	2,691	100%	3/5 yr.	107,205	39.84	7/19/2007	5/17/2021
Taco Bell Martinsville, IN	1	Southern Bells, Inc.	2,057	100%	3/5 yr.	143,082	69.56	7/19/2007	5/17/2021
LJS/A&W Houston, TX	1	LJS Restaurants, Inc.	34,094	100%	3/5 yr.	72,000	2.11	7/19/2007	12/1/2018
Dickinson Theatre Yukon, OK	1	Dickinson Theatres, Inc.	27,442	100%	3/5 yr.	392,421	14.30	7/17/2007	6/30/2022
Circuit City Taunton, MA	1	Circuit City Stores, Inc.	32,748	100%	2/10 yr.	570,000	17.41	7/13/2007	2/28/2021

Property	Number of Tenants	Major Tenants*	Total Square Feet Leased	% of Total Square Feet Leased	Renewal Options **	Current Annual Base Rent	Base Rent per Square Foot	Lease Term Beginning	Lease Term To
Telerx Kings Mountain, NC	1	TelerX Marketing, Inc.	60,000	100%	3/5 yr.	604,800	10.08	7/17/2007	5/31/2017
Staples Guntersville, AL	1	Staples the Office Super Store East, Inc.	23,942	100%	4/5 yr.	248,997	10.40	7/6/2007	3/31/2016
Federal Express Peoria, IL	1	Federal Express Corporation	38,200	100%	2/5 yr.	227,290	5.95	7/20/2007	3/31/2017
			2,577,288			$ 21,314,635			

* Major tenants include those tenants that occupy greater than 10.0% of the rentable square feet of their respective property.

** Represents option renewal period / term of each option.

Cole Realty Advisors has the sole and exclusive right to manage, operate, lease and supervise the overall maintenance of the properties listed above and currently receives a property management fee of up to 2.0% of the monthly gross revenues from our single-tenant properties and up to 4.0% of the monthly gross revenues from our multi-tenant properties. We currently have no plans for any renovations, improvements or development of the properties listed above and we believe that all are adequately insured.

In connection with the property acquisitions noted above, we incurred or assumed the following fixed and variable rate mortgage notes:

Property	Fixed Rate Loan Amount	Fixed Interest Rate	Maturity Date	Variable Rate Loan Amount	Maturity Date	Total Loan Outstanding
CVS Florence, SC	$ 1,706,205	5.73%	6/1/2017		N/A	$ 1,706,205

Eckerd Spartanburg (Main), SC	2,258,750	5.73%	6/1/2017		N/A	2,258,750
Staples Warsaw, IN	1,850,000	5.73%	6/1/2017		N/A	1,850,000
Walgreens Bryan, TX	4,111,000	5.70%	6/11/2017	949,000	8/16/2007	5,060,000
Walgreens Harris County, TX	3,673,000	5.70%	6/11/2017	848,000	6/11/2017	4,521,000
Tractor Supply Fairview, TN	1,930,500	5.59%	6/1/2017		N/A	1,930,500
Borders Rapid City, SD	4,393,000	5.66%	6/11/2017	776,000	9/1/2007	5,169,000
Borders Reading, PA	4,257,000	5.66%	6/11/2017	752,000	9/1/2007	5,009,000
Walgreens Gainesville, FL	2,465,000	5.60%	6/11/2017	435,000	9/1/2007	2,900,000
Chili s Fredericksburg, TX	1,504,000	5.55%	6/11/2017	347,000	9/5/2007	1,851,000
Tractor Supply Baytown, TX	2,251,000	5.60%	6/11/2017	397,000	9/11/2007	2,648,000
Winco Eureka, CA	11,247,000	5.71%	7/1/2017		N/A	11,247,000
Eckerd Vineland, NJ	3,500,000	5.71%	7/1/2017		N/A	3,500,000
Eckerd Mantua, NJ	1,470,000	5.71%	7/1/2017		N/A	1,470,000
Best Buy (Super Value) Warwick, RI	5,350,000	5.71%	7/1/2017		N/A	5,350,000
Best Buy Evanston, IL	5,900,000	5.71%	7/1/2017		N/A	5,900,000
Academy Sports Houston, TX	3,825,000	5.71%	7/1/2017		N/A	3,825,000
Starbucks Covington, TN		N/A	N/A		N/A	
Starbucks Sedalia, MO		N/A	N/A		N/A	

Property	Fixed Rate Loan Amount	Fixed Interest Rate	Maturity Date	Variable Rate Loan Amount	Maturity Date	Total Loan Outstanding
Kroger La Grange, GA	4,750,000	5.21%	7/1/2012		N/A	4,750,000
La-Z-Boy Kentwood, MI	3,602,000	5.32%	7/1/2012		N/A	3,602,000
Circuit City Mesquite, TX	4,305,000	5.32%	7/1/2012		N/A	4,305,000
Tractor Supply Prior Lake, MN	3,283,250	5.73%	7/1/2017		N/A	3,283,250
Circuit City Distribution Center Groveland, FL	20,250,000	5.55%	5/11/2017		N/A	20,250,000
Walgreens Fort Worth, TX	3,675,000	5.55%	5/11/2017		N/A	3,675,000
Kohls Lake Zurich, IL	9,075,000	5.55%	5/11/2017		N/A	9,075,000
EDS Salt Lake City, UT	18,000,000	5.55%	5/11/2017		N/A	18,000,000
Lowe s-Cincinnati, OH	13,800,000	5.55%	5/11/2017		N/A	13,800,000
Walgreens Kansas City (Linwood), MO	2,437,500	5.69%	7/11/2017		N/A	2,437,500
Walgreens Kansas City (Troost), MO	2,464,000	5.79%	7/11/2017		N/A	2,464,000
Walgreens Kansas City (63rd St), MO	3,034,500	5.79%	7/11/2017		N/A	3,034,500
Walgreens Kansas City (Independence), MO	2,990,000	5.69%	7/11/2017		N/A	2,990,000
Walgreens Topeka, KS	1,870,000	5.79%	7/11/2017		N/A	1,870,000
CVS Amarillo, TX	1,741,000	5.83%	8/1/2017		N/A	1,741,000
Taco Bell Brazil, IN		N/A	N/A		N/A	
Taco Bell Henderson, KY		N/A	N/A		N/A	
Academy Sports Baton Rouge, LA	4,687,000	5.83%	8/1/2017		N/A	4,687,000
Taco Bell Washington, IN		N/A	N/A		N/A	
Taco Bell Robinson, IL		N/A	N/A		N/A	
Taco Bell Princeton, IN		N/A	N/A		N/A	
Eckerd Mableton, GA	1,197,000	5.67%	8/1/2017		N/A	1,197,000
Taco Bell/KFC Spencer, IN		N/A	N/A		N/A	
CVS Del City, OK	2,631,000	5.82%	8/1/2017		N/A	2,631,000
Taco Bell Anderson, IN		N/A	N/A		N/A	
Academy Sports N Richland Hills, TX	4,217,000	5.83%	8/1/2017		N/A	4,217,000
	5,600,000	5.56 %	8/1/2017		N/A	5,600,000

Dave and Busters Addison, IL						
Academy Sports Houston (Southwest), TX	4,625,000	5.83 %	8/1/2017		N/A	4,625,000
Academy Sports Houston (Breton), TX	3,045,000	5.83 %	8/1/2017		N/A	3,045,000
Eckerd Chattanooga, TN	1,920,000	5.67 %	8/1/2017		N/A	1,920,000
Taco Bell/KFC Vinceness, IN		N/A	N/A		N/A	
Taco Bell Martinsville, IN		N/A	N/A		N/A	
LJS/A&W Houston, TX		N/A	N/A		N/A	
Dickinson Theatre Yukon, OK		N/A	N/A		N/A	
Circuit City Taunton, MA	4,323,000	5.32%	8/1/2012		N/A	4,323,000
Telerx Kings Mountain, NC	6,083,000	5.27%	8/1/2012		N/A	6,083,000
Staples Guntersville, AL	2,161,250	5.24%	8/1/2012		N/A	2,161,250
Federal Express Peoria, IL	2,080,000	5.60 %	7/20/2017		N/A	2,080,000
	$ 199,537,955			$ 4,504,000		$ 204,041,955

The fixed rate debt mortgage notes require monthly interest-only payments with the principal balance due on various dates from May 2012 through August 2017. The variable rate debt mortgage notes bear interest at the one-month LIBOR rate plus 200 basis points and require monthly interest-only payments and generally mature within 90 days. Each of the mortgage notes are secured by the respective property. The mortgage notes are generally non-recourse to us and Cole Op II, but both are liable for customary non-recourse carveouts.

The fixed rate mortgage notes generally may not be prepaid, in whole or in part, except under the following circumstances: (i) full prepayment may be made on any of the three (3) monthly payment dates occurring immediately prior to the maturity date, and (ii) partial prepayments resulting from the application of insurance or condemnation proceeds to reduce the outstanding principal balance of the mortgage notes. Notwithstanding the prepayment limitations, we may sell the properties to a buyer that assumes the respective mortgage loan. The transfer would be subject to the conditions set forth in the individual property s mortgage note document, including without limitation, the lender s approval of the proposed buyer and the payment of the lender s fees, costs and expenses associated with the sale of the property and the assumption of the loan.

In the event that a mortgage note is not paid off on the respective maturity date, each mortgage note includes hyperamortization provisions. The interest rate during the hyperamortization period shall be the fixed interest rate as stated on the respective mortgage note agreement plus two percent (2.0%). The individual mortgage note maturity date, under the hyperamortization provisions, will be extended by twenty (20) years. During such period, the lender will apply 100% of the rents collected to (i) all payments for escrow or reserve accounts, (ii) payment of interest at the original fixed interest rate, (iii) payments for the replacement reserve account, (iv) any other amounts due in accordance with the mortgage note agreement other than any additional interest expense, (v) any operating expenses of the property pursuant to an approved annual budget, (vi) any extraordinary expenses, (vii) payments to be applied to the reduction of the principal balance of the mortgage note, and (viii) any additional interest expense, which is not paid will be added to the principal balance of the mortgage note.

For federal income tax purposes, the preliminary depreciable basis in the properties noted above is approximately $246.9 million in total. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 years, respectively. The depreciable basis in the properties noted above are detailed as follows:

Property	**Depreciable Tax Basis**
CVS Florence, SC	$ 1,939,879
Eckerd Spartanburg (Main), SC	2,206,496
Staples Warsaw, IN	2,975,976
Walgreens Bryan, TX	5,688,753
Walgreens Harris County, TX	4,130,920
Tractor Supply Fairview, TN	2,616,643
Borders Rapid City, SD	5,028,711
Borders Reading, PA	4,289,688
Walgreens Gainesville, FL	2,668,219
Chili s Fredericksburg, TX	1,917,255
Tractor Supply Baytown, TX	2,582,105
Winco Eureka, CA	12,402,598
Eckerd Vineland, NJ	2,849,536
Eckerd Mantua, NJ	1,213,686
Best Buy (Super Value) Warwick, RI	3,435,067
Best Buy Evanston, IL	4,638,272
Academy Sports Houston, TX	1,590,469
Starbucks Covington, TN	1,009,060

Starbucks Sedalia, MO	1,026,547
Kroger La Grange, GA	6,397,575
La-Z-Boy Kentwood, MI	3,876,176
Circuit City Mesquite, TX	6,928,335
Tractor Supply Prior Lake, MN	3,437,491
Circuit City Distribution Center Groveland, FL	22,039,048
Walgreens Fort Worth, TX	3,884,122
Kohls Lake Zurich, IL	10,170,184
EDS Salt Lake City, UT	18,259,859

Property	Depreciable Tax Basis

Tenant Lease Expirations

The following table sets forth, as of July 23, 2007, lease expirations of the properties owned for each of the next ten years assuming no renewal options are exercised. For purposes of the table, the total annual base rent column represents annualized base rent, based on rent in effect on January 1 of the respective year, for each lease which expires during the respective year.

Year Ending December 31,	Number of Leases Expiring	Approx. Square Feet Expiring	Total Annual Base Rent	% of Total Annual Base Rent
2007	1	2,000	$ 37,500	0.05%
2008	8	43,210	644,731	0.78%
2009	9	80,143	724,364	0.87%
2010	6	20,968	400,235	0.48%
2011	7	34,703	409,101	0.49%
2012	9	90,077	891,923	1.07%
2013	13	286,352	1,996,386	2.40%
2014	7	130,899	1,555,402	1.87%
2015	9	649,513	3,544,096	4.26%
2016	22	1,203,741	7,685,829	9.24%
2017	21	730,487	5,110,203	6.15%
	112	3,272,093	$ 22,999,770	27.66%

Potential Property Investments

Our advisor has identified the following property as a potential suitable investments for us. The acquisition of the property is subject to a number of conditions. A significant condition to acquiring this potential acquisition is our ability to raise sufficient proceeds in this offering to pay a portion of the purchase price. An additional condition to acquiring this property will be our securing debt financing to pay the balance of the purchase price. Such financing may not be available on acceptable terms or at all.

Our evaluation of a property as a potential acquisition, including the appropriate purchase price, will include our consideration of a property condition report; unit-level store performance; property location, visibility and access; age of the property, physical condition and curb appeal; neighboring property uses; local market conditions, including vacancy rates; area demographics, including trade area population and average household income; neighborhood growth patterns and economic conditions; and the presence of demand generators.

We will decide whether to acquire these properties generally based upon:

satisfaction of the conditions to the acquisitions contained in the respective contracts;

no material adverse change occurring relating to the properties, the tenants or in the local economic conditions;

our receipt of sufficient net proceeds from the offering of our common stock to the public and financing proceeds to make these acquisitions; and

our receipt of satisfactory due diligence information including appraisals, environmental reports and tenant and lease information.

Other properties may be identified in the future that we may acquire before or instead of this property. Due to the considerable conditions to the consummation of the acquisition of these properties, we cannot make any assurances that the closing of these acquisitions is probable.

Property		Expected Acquisition Date	Seller (1)	Approximate Purchase Price (2)	Approximate Compensation to Sponsor (3)
Fed Ex	Walker, MI	7/25/2007	A&R Development II, LLC	7,575,000	202,850
				$7,575,000	$ 202,850

(1) Seller is an unaffiliated third party.

(2) Approximate purchase price does not include acquisition costs which we expect to be approximately 3.0% of the contract purchase price.

(3) Amounts include acquisition fees payable to an

affiliate of our advisor for acquisition fees in connection with the property acquisition and payments to our advisor for finance coordination fees for services in connection with the origination or assumption of debt financing to acquire the respective property.

Each potential property acquisition is subject to a net lease, pursuant to which the tenants are required to pay substantially all operating expenses and capital expenditures in addition to base rent. In the case of a multi-tenant commercial property the tenants are also required to pay a proportionate amount of common area maintenance charges in addition to the items listed above.

Property		Major Tenants*	Guarantor	Total Square Feet Leased	% of Total Square Feet Leased
Fed Ex	Walker, MI	Fed Ex Ground Package System, Inc.	N/A	78,034	100%
				78,034	

* Major tenants are those tenants that occupy greater than 10.0% of the rentable square of their respective property.

The table below provides leasing information for the major tenants at each respective property:

Property		Major Tenants*	Renewal Options	Annual Base Rent	Base Rent per Square Foot	Lease Term Beginning	Lease Term To
Fed Ex	Walker, MI	Fed Ex Ground Package System, Inc.	2/5 yr.	380,736	4.88	2/22/02	5/31/17

$ 380,736

The following table outlines the anticipated loan terms on debt financing to be secured in connection with the purchase of the potential property acquisition our advisor has identified for us. Generally, we expect the loans to have a fixed rate, with interest only payments and a five to ten-year maturity.

Property		Debt Financing	Type	Rate	Maturity Date
Fed Ex	Walker, MI	5,135,000	Interest Only	5.98%	July 25, 2012
		$ 5,135,000			

Each of our properties is adequately covered by insurance and we intend to obtain adequate insurance coverage for all future properties that we acquire.

The following table replaces in its entirety Table III of our Prior Performance Tables on Pages A-42 through A-68 of the prospectus.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED)

The following sets forth the unaudited operating results of Prior Real Estate Programs sponsored by affiliates of the sponsor of this program, the offerings of which have been closed since January 1, 2002. The information relates only to programs with investment objectives similar to this program. All amounts are as of December 31 of the year indicated, except as noted.

	Cole Blvd. Sq. Investors LP (Sold) May 2002				
	2002	**2003**	**2004**	**2005**	**2006**
Gross revenues	$ 1,885,886	$ 4,404,802	$ 3,444,830	$ 165,124	$ 129,679
Profit (loss) on sale of properties			8,521,296		
Less:					
Operating expenses(4)	686,067	1,511,374	1,204,787	34,079	19,746
Interest expense	912,735	2,028,457	1,390,517		
Depreciation and amortization(3)	486,358	1,354,613	1,236,383		
Net income (loss) Tax basis(6)	$ (199,274)	$ (489,642)	$ 8,134,439	$ 131,045	$ 109,933
Taxable income					
from operations	$ (199,274)	$ (489,642)	$ (386,857)	$ 131,045	$ 109,933
from gain on sale			8,521,296		
Cash generated					
from operations (5)	287,084	864,971	849,526	131,045	109,933
from sales			14,423,979		
from refinancing					
Cash generated from operations, sales and refinancing	287,084	864,971	15,273,505	131,045	109,933
Less: Cash distributions to investors					
from operating cash flow	102,209	844,489	850,000		
from sales and refinancing			12,837,500	420,000	111,000
from other					
Cash generated (deficiency) after cash distributions	184,875	20,482	1,586,005	(288,955)	(1,067)
Less: Special items (not including sales and refinancing)					
Cash generated (deficiency) after cash distributions and special	$ 184,875	$ 20,482	$ 1,586,005	$ (288,955)	$ 109,933

items

Tax and Distribution Data Per $1,000 Invested									
Federal income tax results:									
Ordinary income (loss)									
from operations	$	(19.93)	$	(48.96)	$	(38.69)	$	13.10	$ 10.99
from recapture						246.21			
Capital gain (loss)						605.92			
Cash distributions to investors:									
Source (on a tax basis)									
investment income		10.22		84.45		85.00			
return of capital									
Source (on a cash basis)									
sales						1,283.75		42.00	11.10
refinancing									
operations		10.22		84.45		85.00			
other									
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table								0%	0%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Santa Fe Investors LP September 2002				
	2002	**2003**	**2004**	**2005**	**2006**
Gross revenues	$ 1,293,152	$ 2,545,914	$ 2,252,104	$ 2,380,191	$ 1,888,819
Profit (loss) on sale of properties					
Less:					
Operating expenses(4)	431,161	883,118	839,177	939,120	890,625
Interest expense	581,968	1,144,762	1,142,336	1,123,891	1,111,509
Depreciation and amortization(3)	247,530	895,291	758,595	475,149	634,960
Net income (loss) Tax basis(6)	$ 32,493	$ (377,257)	$ (488,004)	$ (157,969)	$ (748,275)
Taxable income					
from operations	$ 32,493	$ (377,257)	$ (488,004)	$ (157,969)	$ (748,275)
from gain on sale					
Cash generated					
from operations(5)	280,023	518,034	270,591	317,180	(113,315)
from sales					
from refinancing					
Cash generated from operations, sales and refinancing	280,023	518,034	270,591	317,180	(113,315)
Less: Cash distributions to investors					
from operating cash flow	6,253	568,574			
from sales and refinancing					
from other					
Cash generated (deficiency) after cash distributions	273,770	(50,540)	270,591	317,180	(113,315)
Less: Special items (not including sales and refinancing)					
Cash generated (deficiency) after cash distributions and special items	$ 273,770	$ (50,540)	$ 270,591	$ 317,180	$ (113,315)
Tax and Distribution Data Per $1,000 Invested					
Federal income tax results:					
Ordinary income (loss)					

from operations	$ 5.26	$ (61.04)	$ (78.97)	$ (25.56)	$ (121.08)
from recapture					
Capital gain (loss)					
Cash distributions to investors:					
Source (on a tax basis)					
investment income	1.01	92.00			
return of capital					
Source (on a cash basis)					
sales					
refinancing					
operations	1.01	92.00			
other					
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table					100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Credit Property Fund LP November 2002				
	2002	**2003**	**2004**	**2005**	**2006**
Gross revenues	$	$ 3,360,284	$ 4,457,358	$ 5,127,208	$ 2,442,267
Profit (loss) on sale of properties					
Less:					
Operating expenses(4)	762	222,734	289,925	262,887	261,530
Interest expense		849,115	1,470,906	1,554,842	1,459,916
Depreciation and amortization(3)		1,351,646	1,805,318	1,503,075	1,173,216
Net income (loss) Tax basis(6)	$ (762)	$ 936,789	$ 891,209	$ 1,806,404	$ (452,396)
Taxable income					
from operations	$ (762)	$ 936,789	$ 891,209	$ 1,806,404	$ (452,396)
from gain on sale					
Cash generated					
from operations(5)	(762)	2,288,435	2,696,527	3,309,479	720,821
from sales					
from refinancing					
Cash generated from operations, sales and refinancing	(762)	2,288,435	2,696,527	3,309,479	720,821
Less: Cash distributions to investors					
from operating cash flow		1,400,125	2,187,497	2,124,998	2,000,012
from sales and refinancing					
from other					
Cash generated (deficiency) after cash distributions	(762)	888,310	509,030	1,184,481	(1,279,191)
Less: Special items (not including sales and refinancing)					
Cash generated (deficiency) after cash distributions and special items	$ (762)	$ 888,310	$ 509,030	$ 1,184,481	$ (1,279,191)
Tax and Distribution Data Per $1,000 Invested					
Federal income tax results:					
Ordinary income (loss)					
from operations	$ (0.47)	$ 37.47	$ 35.65	$ 72.26	$ (18.10)
from recapture					
Capital gain (loss)					
Cash distributions to investors:					

Source (on a tax basis)				
investment income	56.01	87.50	85.00	80.00
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	56.01	87.50	85.00	80.00
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Credit Property Fund II LP July 2003			
	2003	**2004**	**2005**	**2006**
Gross revenues	$ 128,655	$ 3,758,639	$ 5,073,379	$ 5,152,330
Profit (loss) on sale of properties				
Less:				
Operating expenses(4)	8,574	165,315	346,715	412,563
Interest expense	6,438	1,345,798	1,908,834	1,938,864
Depreciation and amortization(3)	21,234	1,667,189	1,527,717	1,369,651
Net income (loss) Tax basis(6)	$ 92,409	$ 580,337	$ 1,290,113	$ 1,431,252
Taxable income				
from operations	$ 92,409	$ 580,337	$ 1,290,113	$ 1,431,252
from gain on sale				
Cash generated				
from operations(5)	113,643	2,247,526	2,817,830	2,800,903
from sales				
from refinancing				
Cash generated from operations, sales and refinancing	113,643	2,247,526	2,817,830	2,800,903
Less: Cash distributions to investors				
from operating cash flow	18,795	1,567,247	2,398,417	2,082,029
from sales and refinancing				
from other				
Cash generated (deficiency) after cash distributions	94,848	680,279	419,413	718,874
Less: Special items (not including sales and refinancing)				
Cash generated (deficiency) after cash distributions and special items	$ 94,848	$ 680,279	$ 419,413	$ 718,874
Tax and Distribution Data Per $1,000 Invested				
Federal income tax results:				
Ordinary income (loss)				
from operations	$ 6.56	$ 23.69	$ 52.67	$ 58,43
from recapture				
Capital gain (loss)				
Cash distributions to investors:				
Source (on a tax basis)				

investment income	1.33	63.98	97.92	85.00
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	1.33	63.98	97.92	85.00
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Collateralized Senior Notes, LLC September 2003			
	2003	**2004**	**2005**	**2006**
Gross revenues	$ 162,409	$ 5,087,274	$ 3,784,381	$ 1,341,850
Profit (loss) on sale of properties		6,332,735	1,768,269	1,547,193
Less:				
Operating expenses(4)	7,327	304,377	438,007	57,254
Interest expense	248,806	4,128,321	4,275,923	1,426,798
Depreciation and amortization(3)	52,656	1,574,516	1,092,368	(131,509)
Net income (loss) Tax basis(6)	$ (146,380)	$ 5,412,795	$ (253,648)	$ 1,536,500
Taxable income				
from operations	$ (146,380)	$ (919,940)	$ (2,021,917)	$ (10,693)
from gain on sale		6,332,735	1,768,268	1,547,193
Cash generated				
from operations(5)	(93,724)	654,576	(929,549)	(142,202)
from sales		25,913,341	52,237,261	9,413,734
from refinancing				
Cash generated from operations, sales and refinancing	(93,724)	26,567,917	51,307,712	9,271,532
Less: Cash distributions to investors				
from operating cash flow				(2)
from sales and refinancing				
from other				
Cash generated (deficiency) after cash distributions	(93,724)	26,567,917	51,307,712	9,271,532
Less: Special items (not including sales and refinancing)				
Cash generated (deficiency) after cash distributions and special items	$ (93,724)	$ 26,567,917	$ 51,307,712	$ 9,271,532
Tax and Distribution Data Per $1,000 Invested				
Federal income tax results:				
Ordinary income (loss)				
from operations	$	$	$	$ (2)
from recapture				
Capital gain (loss)				
Cash distributions to investors:				

Source (on a tax basis)	
investment income	(2)
return of capital	
Source (on a cash basis)	
sales	
refinancing	
operations	
other	
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table	100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Collateralized Senior Notes II, LLC February 2004			Cole Collateralized Senior Notes III, LLC January 2005	
	2004	2005	2006	2005	2006
Gross revenues	$ 1,822,545	$ 3,323,749	$ 2,957,169	$ 1,810,020	$ 3,300,297
Profit (loss) on sale of properties		1,433,092	186,386	289,643	3,124,045
Less:					
Operating expenses(4)	98,921	238,585	121,582	120,231	169,907
Interest expense	2,095,747	4,407,598	3,613,049	2,568,620	3,606,300
Depreciation and amortization(3)	379,572	932,584	718,486	410,037	1,693,225
Net income (loss) Tax basis(6)	$ (751,695)	$ (821,926)	$ (1,309,561)	$ (999,224)	$ 954,910
Taxable income					
from operations	$ (751,695)	$ (2,255,018)	$ (1,495,947)	$ (1,228,867)	$ (2,169,135)
from gain on sale		1,433,092	186,386	289,643	3,124,045
Cash generated					
from operations(5)	(372,123)	(1,322,434)	(777,461)	(875,830)	(475,910)
from sales	16,927,937	47,905,072	24,378,796	17,740,380	19,046,303
from refinancing					
Cash generated from operations, sales and refinancing	16,555,814	46,582,638	23,601,335	16,861,550	18,570,393
Less: Cash distributions to investors					
from operating cash flow		(2)		(2)	
from sales and refinancing					
from other					
Cash generated (deficiency) after cash distributions	16,555,814	46,582,638	23,601,335	16,861,550	18,570,393
Less: Special items (not including sales and refinancing)					
Cash generated (deficiency) after cash distributions and special items	$ 16,555,814	$ 46,582,638	$ 23,601,335	$ 16,861,550	$ 18,570,393

Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$	$	(2)	$	$	(2)
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income			(2)			(2)
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations						
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Collateralized Senior Notes IV, LLC May 2005		Cole Credit Property Trust, Inc. April 2004		
	2005	2006	2004	2005	2006
Gross revenues	$ 91,908	$ 2,070,894	$ 951,220	$ 10,987,553	$ 16,149,526
Profit (loss) on sale of properties					
Less:					
Operating expenses(4)	88,074	1,131,745	169,619	1,357,842	2,030,411
Interest expense	538,378	2,908,292	322,238	4,664,223	7,698,059
Depreciation and amortization(3)	79,634	426,629	296,514	3,638,794	5,394,072
Net income (loss) Tax basis(6)	$ (614,178)	$ (2,395,772)	$ 162,849(1)	$ 1,326,694(1)	$ 1,026,984(1)
Taxable income					
from operations	$ (614,178)	$ (2,395,772)	$ 162,849	$ 1,326,694	$ 1,026,984
from gain on sale					
Cash generated					
from operations(5)	(534,544)	(1,969,143)	459,363	4,965,488	6,421,056
from sales	1,975,851	61,566,541			
from refinancing					
Cash generated from operations, sales and refinancing	1,441,307	59,597,398	459,363	4,965,488	6,421,056
Less: Cash distributions to investors					
from operating cash flow	(2)		132,344	4,751,612	7,070,390
from sales and refinancing					
from other					
Cash generated (deficiency) after cash distributions	1,441,307	59,597,398	327,019	213,876	(649,334)
Less: Special items (not including sales and refinancing)					

Cash generated (deficiency) after cash distributions and special items	$ 1,441,307	$ 59,597,398	$ 327,019	$ 213,876	$	
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)	$	$ (2)	$ 5.73	$ 13.14	$	10.17
from operations						
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)		(2)	4.66	47.06		70.02
investment income						
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations			4.66	47.06		70.02
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Cole Credit Property Trust II, Inc. June 2005		Staples- Tulsa, OK February 2004		
	2005	2006	2004	2005	2006
Gross revenues	$ 741,669	$ 20,022,986	$ 189,058	$ 324,241	$ 275,709
Profit (loss) on sale of properties					
Less:					
Operating expenses(4)	195,020	3,306,511	1,579	3,080	2,850
Interest expense	439,829	8,901,113			
Depreciation and amortization(3)	221,411	6,469,366			
Net income (loss) Tax basis(6)	$ (114,591)(1)	$ 1,345,996(1)	$ 187,479	$ 321,161	$ 272,859
Taxable income					
from operations	$ (114,591)	$ 1,345,996	$ 187,479	$ 321,161	$ 272,859
from gain on sale					
Cash generated					
from operations(5)	106,820	7,815,362	187,479	321,161	272,859
from sales					
from refinancing					
Cash generated from operations, sales and refinancing	106,820	7,815,362	187,479	321,161	272,859
Less: Cash distributions to investors					
from operating cash flow		3,554,073	158,709	289,515	289,512
from sales and refinancing					
from other					
Cash generated (deficiency) after cash distributions	106,820	4,261,289	28,770	31,646	(16,653)
Less: Special items (not including sales and refinancing)					
Cash generated (deficiency) after cash distributions and special items	$ 106,820	$ 4,261,289	$ 28,770	$ 31,646	$ (16,653)
Tax and Distribution Data Per $1,000 Invested					
Federal income tax results:					
Ordinary income (loss)					

from operations	$ (4.08)	$ 4.39	$ 45.33	$ 77.65	$ 65.97	
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income		11.60	38.37	70.00	70.00	
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations		11.60	38.37	70.00	70.00	
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%			100%	

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Mimi s Café-Lone Tree, CO April 2004			Walgreen s-Windsor, CO June 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$ 92,614	$ 185,632	$ 181,170	$ 135,696	$ 353,024	$ 354,194
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	1,900	3,654	3,886	1,684	6,339	5,389
Interest expense				53,114	161,554	161,554
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 90,714	$ 181,978	$ 177,284	$ 80,898	$ 185,131	$ 187,252
Taxable income						
from operations	$ 90,714	$ 181,978	$ 177,284	$ 80,898	$ 185,131	$ 187,252
from gain on sale						
Cash generated from operations(5)	90,714	181,978	177,284	80,898	185,131	187,252
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	90,714	181,978	177,284	80,898	185,131	187,252
Less: Cash distributions to investors						
from operating cash flow	76,045	171,252	171,252	56,436	186,840	186,840
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	14,669	10,726	6,032	24,462	(1,709)	412
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 14,669	$ 10,726	$ 6,032	$ 24,462	$ (1,709)	$ 412

Tax and Distribution Data Per $1,000 Invested							
Federal income tax results:							
Ordinary income (loss)							
from operations	$ 37.09	$ 74.40	$ 72.48	$ 30.31	$ 69.36	$ 70.16	
from recapture							
Capital gain (loss)							
Cash distributions to investors:							
Source (on a tax basis)							
investment income	31.09	70.01	70.01	21.14	70.00	70.00	
return of capital							
Source (on a cash basis)							
sales							
refinancing							
operations	31.09	70.01	70.01	21.14	70.00	70.00	
other							
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table			100%			100%	

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Goldsboro, NC June 2004			Walgreens-Hamilton, OH July 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$ 101,750	$ 330,000	$ 330,613	$ 126,522	$ 386,000	$ 386,836
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	1,416	5,920	5,323	3,060	10,773	10,139
Interest expense	36,706	145,628	145,628	45,878	169,146	169,146
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 63,628	$ 178,452	$ 179,662	$ 77,584	$ 206,081	$ 207,552
Taxable income						
from operations	$ 63,628	$ 178,452	$ 179,662	$ 77,584	$ 206,081	$ 207,552
from gain on sale						
Cash generated						
from operations(5)	63,628	178,452	179,662	77,584	206,081	207,552
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	63,628	178,452	179,662	77,584	206,081	207,552
Less: Cash distributions to investors						
from operating cash flow	40,334	179,892	179,892	34,958	207,624	207,624
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	23,294	(1,440)	(230)	42,626	(1,543)	(72)
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 23,294	$ (1,440)	$ (230)	$ 42,626	$ (1,543)	$ (72)

Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$ 24.76	$ 69.44	$ 69.91	$ 26.16	$ 69.48	$ 69.98
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income	15.69	70.00	70.00	11.79	70.00	70.00
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations	15.69	70.00	70.00	11.79	70.00	70.00
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table			100%			100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Carlsbad, NM July 2004			Walgreens-Willimantic, CT September 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$ 73,750	$ 295,000	$ 295,645	$ 55,160	$ 354,600	$ 355,245
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	2,537	11,550	11,007	2,660	19,487	17,470
Interest expense	25,328	130,209	130,209	14,900	151,064	151,064
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 45,885	$ 153,241	$ 154,429	$ 37,600	$ 184,049	$ 186,711
Taxable income						
from operations	$ 45,885	$ 153,241	$ 154,429	$ 37,600	$ 184,049	$ 186,711
from gain on sale						
Cash generated						
from operations(5)	45,885	153,241	154,429	37,600	184,049	186,711
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	45,885	153,241	154,429	37,600	184,049	186,711
Less: Cash distributions to investors						
from operating cash flow	26,006	154,559	154,560		185,376	185,376
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	19,879	(1,318)	(131)	37,600	(1,327)	1,335
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 19,879	$ (1,318)	$ (131)	$ 37,600	$ (1,327)	$ 1,335

Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$ 20.04	$ 66.93	$ 67.44	$ 13.69	$ 67.02	$ 67.99
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income	11.36	67.50	67.50		67.51	67.51
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations	11.36	67.50	67.50		67.51	67.51
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table			100%			100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Edgewood, NM September 2004			Walgreens-Fairborn, OH September 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$ 28,330	$ 275,640	$ 276,137	$ 30,209	$ 344,500	$ 345,145
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	1,326	14,191	13,699	1,943	20,365	19,781
Interest expense	5,527	118,666	118,666	6,797	145,934	145,934
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 21,477	$ 142,783	$ 143,773	$ 21,469	$ 178,201	$ 179,430
Taxable income						
from operations	$ 21,477	$ 142,783	$ 143,773	$ 21,469	$ 178,201	$ 179,430
from gain on sale						
Cash generated						
from operations(5)	21,477	142,783	143,773	21,469	178,201	179,430
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	21,477	142,783	143,773	21,469	178,201	179,430
Less: Cash distributions to investors						
from operating cash flow		144,070	144,072		178,488	178,488
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	21,477	(1,287)	(299)	21,469	(287)	942
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 21,477	$ (1,287)	$ (299)	$ 21,469	$ (287)	$ 942

Tax and Distribution Data Per $1,000 Invested												
Federal income tax results:												
Ordinary income (loss)												
from operations	$	11.64	$	66.91	$	67.37	$	8.12	$	67.40	$	67.86
from recapture												
Capital gain (loss)												
Cash distributions to investors:												
Source (on a tax basis)												
investment income				67.51		67.51				67.51		67.51
return of capital												
Source (on a cash basis)												
sales												
refinancing												
operations				67.51		67.51				67.51		67.51
other												
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table						100%						100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Slidell, LA November 2004			Walgreens-Westheimer, TX October 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$	$ 243,899	$ 275,516	$ 14,637	$ 495,000	$ 495,990
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)		11,336	12,445	580	21,003	21,476
Interest expense		98,704	118,901		214,710	220,752
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$	133,859	144,170	$ 14,057	$ 259,287	$ 253,762
Taxable income						
from operations	$	$ 133,859	$ 144,170	$ 14,057	$ 259,287	$ 253,762
from gain on sale						
Cash generated						
from operations(5)		133,859	144,170	14,057	259,287	253,762
from sales						
from refinancing						
Cash generated from operations, sales and refinancing		133,859	144,170	14,057	259,287	253,762
Less: Cash distributions to investors						
from operating cash flow		114,918	143,772		240,014	253,500
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions		18,941	398	14,057	19,273	262
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$	$ 18,941	$ 398	$ 14,057	$ 19,273	$ 262
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$	$ 60.51	$ 65.18	$ 4.11	$ 66.48	$ 65.07
from recapture						

Capital gain (loss)				
Cash distributions to investors:				
Source (on a tax basis)				
investment income	51.95	65.00	61.54	65.00
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	51.95	65.00	61.54	65.00
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Richmond Heights, OH October 2004			Home Depot-Spokane, WA November 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$	$ 423,387	$ 420,807	$	$ 1,014,839	$ 1,323,040
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)		18,416	17,830		12,592	12,670
Interest expense		173,029	182,004		394,654	551,910
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$	$ 231,942	$ 220,973	$	$ 607,593	$ 758,459
Taxable income						
from operations	$	$ 231,942	$ 220,973	$	$ 607,593	$ 758,459
from gain on sale						
Cash generated						
from operations(5)		231,942	220,973		607,593	758,459
from sales						
from refinancing						
Cash generated from operations, sales and refinancing		231,942	220,973		607,593	758,459
Less: Cash distributions to investors						
from operating cash flow		203,676	220,220		514,099	749,580
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions		28,266	753		93,494	8,879
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$	$ 28,266	$ 753	$	$ 93,494	$ 8,879
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$	$ 68.46	$ 65.22	$	$ 52.69	$ 65.77
from recapture						

Capital gain (loss)				
Cash distributions to investors:				
Source (on a tax basis)				
investment income	60.12	65.00	44.58	65.00
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	60.12	65.00	44.58	65.00
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Orlando, FL November 2004			Walgreens-Glen Burnie, MD November 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$	$ 232,208	$ 300,483	$	$ 312,387	$ 416,142
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)		10,463	13,562		13,428	17,695
Interest expense		90,054	124,904		119,319	169,158
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$	$ 131,691	$ 162,017	$	$ 179,640	$ 229,289
Taxable income						
from operations	$	$ 131,691	$ 162,017	$	$ 179,640	$ 229,289
from gain on sale						
Cash generated						
from operations(5)		131,691	162,017		179,640	229,289
from sales						
from refinancing						
Cash generated from operations, sales and refinancing		131,691	162,017		179,640	229,289
Less: Cash distributions to investors						
from operating cash flow		111,711	161,592		151,637	226,524
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions		19,980	425		28,003	2,765
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$	$ 19,980	$ 425	$	$ 28,003	$ 2,765
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$	$ 52.97	$ 65.17	$	$ 51.55	$ 65.79
from recapture						

Capital gain (loss)				
Cash distributions to investors:				
Source (on a tax basis)				
investment income	44.94	65.00	43.51	65.00
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	44.94	65.00	43.51	65.00
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Covington, TN December 2004			Walgreens-Garfield Heights, OH December 2004		
	2004	2005	2006	2004	2005	2006
Gross revenues	$	$ 237,696	$ 261,606	$	$ 145,569	$ 385,036
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)		10,629	11,782		1,893	3,936
Interest expense		93,795	110,081		54,853	169,672
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$	$ 133,272	$ 139,743	$	$ 88,823	$ 211,428
Taxable income						
from operations	$	133,272	139,743	$	$ 88,823	$ 211,428
from gain on sale						
Cash generated from operations(5)		133,272	139,743		88,823	211,428
from sales						
from refinancing						
Cash generated from operations, sales and refinancing		133,272	139,743		88,823	211,428
Less: Cash distributions to investors						
from operating cash flow		114,287	139,165		62,999	212,424
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions		18,985	578		25,824	(996)
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$	$ 18,985	$ 578	$	$ 25,824	$ (996)
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$	$ 62.25	$ 65.27	$	$ 30.32	$ 72.16
from recapture						
Capital gain (loss)						

Cash distributions to investors:				
Source (on a tax basis)				
investment income	53.38	65.00	21.50	72.50
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	53.38	65.00	21.50	72.50
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

		Walgreens-Ponca City, OK December 2004		Home Depot-Tacoma, WA February 2005	
	2004	2005	2006	2005	2006
Gross revenues	$	$ 118,085	$ 312,409	$ 1,051,101	$ 1,750,475
Profit (loss) on sale of properties					
Less:					
Operating expenses(4)		1,477	3,272	35,286	53,645
Interest expense		44,763	138,460	461,947	843,053
Depreciation and amortization(3)					
Net income (loss) Tax basis(6)	$	$ 71,845	$ 170,676	$ 553,868	$ 853,777
Taxable income					
from operations	$	$ 71,845	$ 170,676	$ 553,868	$ 853,777
from gain on sale					
Cash generated					
from operations(5)		71,845	170,676	553,868	853,777
from sales					
from refinancing					
Cash generated from operations, sales and refinancing		71,845	170,676	553,868	853,777
Less: Cash distributions to investors					
from operating cash flow		50,034	168,708	426,665	821,808
from sales and refinancing					
from other					
Cash generated (deficiency) after cash distributions		21,811	1,968	127,203	31,969
Less: Special items (not including sales and refinancing)					
Cash generated (deficiency) after cash distributions and special items	$	$ 21,811	$ 1,968	$ 127,203	$ 31,969
Tax and Distribution Data Per $1,000 Invested					
Federal income tax results:					
Ordinary income (loss)					
from operations	$	$ 30.87	$ 73.35	$ 45.49	$ 70.13
from recapture					

Capital gain (loss)				
Cash distributions to investors:				
Source (on a tax basis)				
investment income	21.50	72.50	35.04	67.50
return of capital				
Source (on a cash basis)				
sales				
refinancing				
operations	21.50	72.50	35.04	67.50
other				
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Pineville, LA April 2005		Walgreens-Bartlett, TN April 2005		Walgreens-Sidney, OH April 2005	
	2005	2006	2005	2006	2005	2006
Gross revenues	$ 155,136	$ 304,247	$ 148,334	$ 295,747	$ 150,793	$ 295,791
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	5,636	7,168	4,352	5,575	4,562	7,030
Interest expense	65,763	143,734	63,835	142,071	65,761	143,730
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 83,737	$ 153,345	$ 80,147	$ 148,101	$ 80,470	$ 145,031
Taxable income						
from operations	$ 83,737	$ 153,345	$ 80,147	$ 148,101	$ 80,470	$ 145,031
from gain on sale						
Cash generated						
from operations(5)	83,737	153,345	80,147	148,101	80,470	145,031
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	83,737	153,345	80,147	148,101	80,470	145,031
Less: Cash distributions to investors						
from operating cash flow	64,858	151,670	61,482	146,592	61,230	143,184
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	18,879	1,675	18,665	1,509	19,240	1,847
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 18,879	$ 1,675	$ 18,665	$ 1,509	$ 19,240	$ 1,847

Tax and Distribution Data Per $1,000 Invested												
Federal income tax results:												
Ordinary income (loss)												
from operations	$	40.03	$	73.30	$	39.64	$	73.24	$	40.74	$	73.43
from recapture												
Capital gain (loss)												
Cash distributions to investors:												
Source (on a tax basis)												
investment income		31.00		72.50		30.41		72.50		31.00		72.50
return of capital												
Source (on a cash basis)												
sales												
refinancing												
operations		31.00		72.50		30.41		72.50		31.00		72.50
other												
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%				100%				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Wichita Falls, TX May 2005		Walgreens-Chicago, IL May 2005		Walgreens-Southington, CT June 2005	
	2005	2006	2005	2006	2005	2006
Gross revenues	$ 153,348	$ 300,722	$ 228,585	$ 476,231	$ 198,989	$ 414,555
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	4,352	6,949	7,058	9,830	6,140	8,643
Interest expense	66,573	145,505	98,204	229,773	84,966	198,182
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 82,423	$ 148,268	$ 123,323	$ 236,628	$ 107,883	$ 207,730
Taxable income						
from operations	$ 82,423	$ 148,268	$ 123,323	$ 236,628	$ 107,883	$ 207,730
from gain on sale						
Cash generated						
from operations(5)	82,423	148,268	123,323	236,628	107,883	207,730
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	82,423	148,268	123,323	236,628	107,883	207,730
Less: Cash distributions to investors						
from operating cash flow	62,626	146,448	93,600	234,540	82,056	205,608
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	19,797	1,820	29,723	2,088	25,827	2,122
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 19,797	$ 1,820	$ 29,723	$ 2,088	$ 25,827	$ 2,122

Tax and Distribution Data Per $1,000 Invested												
Federal income tax results:												
Ordinary income (loss)												
from operations	$	40.80	$	73.40	$	38.12	$	73.15	$	38.04	$	73.25
from recapture												
Capital gain (loss)												
Cash distributions to investors:												
Source (on a tax basis)												
investment income		31.00		72.50		28.93		72.50		28.93		72.50
return of capital												
Source (on a cash basis)												
sales												
refinancing												
operations		31.00		72.50		28.93		72.50		28.93		72.50
other												
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%				100%				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Nashville, TN June 2005		Walgreens-Derby, KS June 2005		Gander Mountain-Spring, TX June 2005	
	2005	2006	2005	2006	2005	2006
Gross revenues	$ 158,605	$ 381,569	$ 134,493	$ 345,824	$ 335,027	$ 1,008,049
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	5,122	8,211	6,648	15,835	3,429	8,490
Interest expense	67,551	186,790	55,839	167,060		
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 85,932	$ 186,568	$ 72,006	$ 162,930	$ 331,598	$ 999,559
Taxable income						
from operations	$ 85,932	$ 186,568	$ 72,006	$ 162,930	$ 331,598	$ 999,559
from gain on sale						
Cash generated						
from operations(5)	85,932	186,568	72,006	162,930	331,598	999,559
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	85,932	186,568	72,006	162,930	331,598	999,559
Less: Cash distributions to investors						
from operating cash flow	61,775	184,440	50,396	163,872	249,273	986,268
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	24,157	2,128	21,610	(942)	82,325	13,291
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash	$ 24,157	$ 2,128	$ 21,610	$ (942)	$ 82,325	$ 13,291

distributions and special items												
Tax and Distribution Data Per $1,000 Invested												
Federal income tax results:												
Ordinary income (loss)												
from operations	$	33.78	$	73.34	$	30.76	$	69.60	$	25.22	$	76.01
from recapture												
Capital gain (loss)												
Cash distributions to investors:												
Source (on a tax basis)												
investment income		24.28		72.50		21.53		70.00		18.96		75.00
return of capital												
Source (on a cash basis)												
sales												
refinancing												
operations		24.28		72.50		21.53		70.00		18.96		75.00
other												
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%				100%				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Blue Springs, MO June 2005		Walgreens-Garden City, KS June 2005		Walgreens-Pittsburg, KS June 2005	
	2005	2006	2005	2006	2005	2006
Gross revenues	$ 102,520	$ 278,833	$ 129,075	$ 334,224	$ 102,883	$ 295,304
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	5,767	10,823	6,489	15,421	5,512	13,895
Interest expense	46,108	129,690	53,531	161,478	35,488	140,795
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 50,645	$ 138,319	$ 69,055	$ 157,325	$ 61,883	$ 140,613
Taxable income						
from operations	$ 50,645	$ 138,319	$ 69,055	$ 157,325	$ 61,883	$ 140,613
from gain on sale						
Cash generated						
from operations(5)	50,645	138,319	69,055	157,325	61,883	140,613
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	50,645	138,319	69,055	157,325	61,883	140,613
Less: Cash distributions to investors						
from operating cash flow	37,809	132,384	48,197	158,136	37,600	141,120
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	12,836	5,935	20,858	(811)	24,283	(507)
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 12,836	$ 5,935	$ 20,858	$ (811)	$ 24,283	$ (507)

Tax and Distribution Data Per $1,000 Invested												
Federal income tax results:												
Ordinary income (loss)												
from operations	$	26.78	$	73.15	$	30.57	$	69.64	$	30.70	$	69.75
from recapture												
Capital gain (loss)												
Cash distributions to investors:												
Source (on a tax basis)												
investment income		19.99		70.01		21.34		70.00		18.65		70.00
return of capital												
Source (on a cash basis)												
sales												
refinancing												
operations		19.99		70.01		21.34		70.00		18.65		70.00
other												
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%				100%				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Gladstone, MO June 2005		Walgreens-Salt Lake City, UT July 2005		Walgreens-Sandy, UT July 2005	
	2005	2006	2005	2006	2005	2006
Gross revenues	$ 132,411	$ 395,426	$ 124,866	$ 511,918	$ 122,931	$ 503,524
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	7,731	17,633	7,013	17,712	7,049	17,501
Interest expense	45,975	204,644	63,197	250,246	64,034	246,775
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 78,705	$ 173,149	$ 54,656	$ 243,961	$ 51,848	$ 239,248
Taxable income						
from operations	$ 78,705	$ 173,149	$ 54,656	$ 243,961	$ 51,848	$ 239,248
from gain on sale						
Cash generated						
from operations(5)	78,705	173,149	54,656	243,961	51,848	239,248
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	78,705	173,149	54,656	243,961	51,848	239,248
Less: Cash distributions to investors						
from operating cash flow	55,486	158,450	40,825	216,492	40,776	216,228
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	23,219	14,699	13,831	27,469	11,072	23,020
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 23,219	$ 14,699	$ 13,831	$ 27,469	$ 11,072	$ 23,020

Tax and Distribution Data Per $1,000 Invested												
Federal income tax results:												
Ordinary income (loss)												
from operations	$	31.11	$	68.44	$	17.04	$	76.07	$	16.19	$	74.70
from recapture												
Capital gain (loss)												
Cash distributions to investors:												
Source (on a tax basis)												
investment income		21.93		62.63		12.73		67.51		12.73		67.51
return of capital												
Source (on a cash basis)												
sales												
refinancing												
operations		21.93		62.63		12.73		67.51		12.73		67.51
other												
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table				100%				100%				100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Walgreens-Midvale, UT August 2005		Walgreens-Metairie, LA August 2005		Wal-Mart-Hazard, KY September 2005	
	2005	2006	2005	2006	2005	2006
Gross revenues	$ 87,586	$ 359,001	$ 4,355	$ 541,345	$ 319,334	$ 1,891,356
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	5,676	13,095		16,665	11,436	41,686
Interest expense	44,677	169,379		258,179	120,349	1,071,401
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 37,233	$ 176,527	$ 4,355	$ 266,501	$ 187,549	$ 778,270
Taxable income						
from operations	$ 37,233	$ 176,527	$ 4,355	$ 266,501	$ 187,549	$ 778,270
from gain on sale						
Cash generated						
from operations(5)	37,233	176,527	4,355	266,501	187,549	778,270
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	37,233	176,527	4,355	266,501	187,549	778,270
Less: Cash distributions to investors						
from operating cash flow	29,597	156,937		230,617	66,413	771,588
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	7,636	19,590	4,355	35,884	121,136	6,682
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 7,636	$ 19,590	$ 4,355	$ 35,884	$ 121,136	$ 6,682

Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)						
from operations	$ 16.24	$ 75.93	$ 3.02	$ 73.03	$ 14.83	$ 61.53
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income	12.91	67.50		63.20	5.25	61.00
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations	12.91	67.50		63.20	5.25	61.00
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Gander Mountain Hermantown, MN		Best Buy Baytown, TX		Walgreens Natchitoches, LA	Kohl s Lakewood, CO
	September 2005		October 2005		November 2005	November 2005
	2005	2006	2005	2006	2006	2006
Gross revenues	$ 94,643	$ 885,140	$ 109,094	$ 489,624	$ 242,647	$ 1,009,577
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	2,765	26,926	1,021	7,846	10,747	27,941
Interest expense					116,328	524,194
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 91,878	$ 858,213	$ 108,073	$ 481,779	$ 115,573	$ 457,443
Taxable income						
from operations	$ 91,878	$ 858,213	$ 108,073	$ 481,779	$ 115,573	$ 457,443
from gain on sale						
Cash generated						
from operations(5)	91,878	858,213	108,073	481,779	115,573	457,443
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	91,878	858,213	108,073	481,779	115,573	457,443
Less: Cash distributions to investors						
from operating cash flow	18,885	861,636		445,785	99,268	387,805
from sales and refinancing						
from other						
Cash generated (deficiency) after cash distributions	72,993	(3,423)	108,073	35,993	16,305	69,638
Less: Special items (not including sales and refinancing)						

Cash generated (deficiency) after cash distributions and special items	$ 72,993	$ (3,423)	$ 108,073	$ 35,993	$ 16,305	$ 69,638
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)	$ 8.23	$ 73.21	$ 94.06	$ 57.89	$ 65.55	$ 61.31
from operations						
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income	1.69	73.50		53.56	56.31	51.98
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations	1.69	73.50		53.56	56.31	51.98
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table		100%		100%		100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	The Shoppes at North Village St. Joseph, MO December 2005 2006	Walgreens Sumter, SC January 2006 2006	Kohl s St. Joseph, MO February 2006 2006	Home Depot- Bellingham, WA April 2006 2006	Cole Net Lease Portfolio I May 2006 2006	Cole Net Lease Portfolio II June 2006 2006
Gross revenues	$ 2,824,347	$ 314,624	$ 564,619	$ 608,739	$ 583,357	$ 313,447
Profit (loss) on sale of properties						
Less:						
Operating expenses(4)	871,927	14,066	159,442	14,676	26,130	4,849
Interest expense	1,094,702	158,325	190,758		265,912	133,317
Depreciation and amortization(3)						
Net income (loss) Tax basis(6)	$ 857,718	$ 142,232	$ 214,419	$ 594,063	$ 291,315	$ 175,281
Taxable income						
from operations	$ 857,718	$ 142,232	$ 214,419	$ 594,063	$ 291,315	$ 175,281
from gain on sale						
Cash generated						
from operations(5)	857,718	142,232	214,419	594,063	291,315	175,281
from sales						
from refinancing						
Cash generated from operations, sales and refinancing	857,718	142,232	214,419	594,063	291,315	175,281
Less: Cash distributions to investors						
from operating cash flow	808,917	121,169	132,308	463,771	203,698	77,402
from sales and refinancing						
from other	48,801	21,063	82,111	130,292	87,617	97,879

Cash generated (deficiency) after cash distributions						
Less: Special items (not including sales and refinancing)						
Cash generated (deficiency) after cash distributions and special items	$ 48,801	$ 21,063	$ 82,111	$ 130,292	$ 87,617	$ 97,879
Tax and Distribution Data Per $1,000 Invested						
Federal income tax results:						
Ordinary income (loss)	$ 41.98	$ 66.09	$ 52.08	$ 24.05	$ 30.37	$ 17.51
from recapture						
Capital gain (loss)						
Cash distributions to investors:						
Source (on a tax basis)						
investment income	39.59	56.31	32.14	18.78	21.24	7.73
return of capital						
Source (on a cash basis)						
sales						
refinancing						
operations	39.59	56.31	32.14	18.78	21.24	7.73
other						
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table	100%	100%	100%	100%	100%	100%

Past performance is not necessarily indicative of future results.

TABLE III

ANNUAL OPERATING RESULTS OF PRIOR REAL ESTATE PROGRAMS (UNAUDITED) (Continued)

	Barrywoods Crossing Kansas City, MO July 2006 2006	Cole Net Lease Portfolio III December 2006 2006
Gross revenues	$ 969,929	$
Profit (loss) on sale of properties		
Less:		
Operating expenses(4)	642,129	
Interest expense	126,766	
Depreciation and amortization(3)		
Net income (loss) Tax basis(6)	$ 201,034	$
Taxable income		
from operations	$ 201,034	$
from gain on sale		
Cash generated		
from operations(5)	201,034	
from sales		
from refinancing		
Cash generated from operations, sales and refinancing	201,034	
Less: Cash distributions to investors		
from operating cash flow	58,685	
from sales and refinancing		
from other		
Cash generated (deficiency) after cash distributions	142,349	
Less: Special items (not including sales and refinancing)		
Cash generated (deficiency) after cash distributions and special items	$ 142,349	$
Tax and Distribution Data Per $1,000 Invested		
Federal income tax results:		
Ordinary income (loss)		
from operations	$ 14.61	$
from recapture		
Capital gain (loss)		
Cash distributions to investors:		

Source (on a tax basis)		
investment income	4.26	
return of capital		
Source (on a cash basis)		
sales		
refinancing		
operations	4.26	
other		
Amount (in percentage terms) remaining invested in program properties at the end of last year reported in the table	100%	100%

Past performance is not necessarily indicative of future results.

NOTES TO TABLE III

(1) Cole Credit Property Trust, Inc. and Cole Credit Property Trust II, Inc. maintain their books on a GAAP basis of accounting rather than a tax basis.

(2) Investors in this program receive interest at a specified rate per annum, which is included in interest expense. Therefore, tax and cash distribution data per $1,000 invested is not applicable.

(3) Amortization of organizational costs is computed over a period of 60 months. Depreciation of commercial real property is determined on the straight-line method over an estimated useful life of 39 years. Leasehold interest are amortized over the life of the lease.

(4) Operating expenses include management fees paid to affiliates for such services as accounting, property supervision, etc.

(5) Cash generated from operations generally includes net income plus depreciation and amortization plus any decreases in accounts receivable and accrued rental income or increases in accounts payable minus any increases in accounts receivable and accrued rental income or decreases in accounts payable. In addition, cash generated from operations is reduced for any property costs related to development projects and is increased by proceeds when the project is sold (usually in less than twelve months).

(6) The partnerships maintain their books on a tax basis of accounting rather than a GAAP basis. There are several potential differences in tax and GAAP basis, including, among others; (a) tax basis accounting does not take certain income or expense accruals into consideration at the end of each fiscal year, (b) rental income is recorded on a tax basis, as it is received where it is accrued on a straight-line basis over the life of the lease for GAAP, and (c) all properties are recorded at cost and depreciated over their estimated useful life on a tax basis even if they qualify as a direct financing lease for GAAP purposes. These differences generally result in timing differences between fiscal years but total operating income over the life of the partnership will not be significantly different between the two basis of accounting.

Past performance is not necessarily indicative of future results.