

Cole Credit Property Trust II Inc
Form 424B3
July 24, 2007

Filed Pursuant to Rule 424(b)(3)
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 |

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|---------------------------------------|---------------------|--------|-----------|
| 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 Vincennes, 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 |
| Telerox Kings Mountain, NC | Telerox 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.

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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% |

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|----------------|--------------------------------|------------------|---------------|------|-----------|---------|--------|------|--|
| Circuit City | Mesquite, TX | Specialty retail | June 28, 2007 | | | | | | |
| | | 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 MO | 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% | |

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| 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% |
| Telerox 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 Vincennes, 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.

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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* | % of Total | | Renewal Options** | Current Annual Base Rent | Base Rent per Square Foot | Lease Term | |
|------------------------------------|-------------------|--|--------------------------|--------------------------|-------------------|--------------------------|---------------------------|------------|------------|
| | | | Total Square Feet Leased | Total Square Feet Leased | | | | Beginning | 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 |

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|---|---|---|---------|------|----------|-----------|-------|-----------|------------|
| 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* | % of Total | | Renewal Options** | Current Annual Base Rent | Base Rent per Square Foot | Lease Term | |
|--|-------------------|-------------------------------|--------------------|--------------------|-------------------|--------------------------|---------------------------|------------|------------|
| | | | Square Feet Leased | Square Feet Leased | | | | Beginning | 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 |

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|--|---|---|--------|------|----------|---------|-------|-----------|-----------|
| Taco Bell Anderson, IN Academy Sports N Richland Hills, TX | 1 | Southern Bells, Inc. 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 Vincennes, 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 | To |
| Telerox Mountain, NC | 1 | Telerox 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 |

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| | | | | | | | |
|------------------------|---------------------|------------|-------|-----------|---------|-----------|------------|
| Eckerd SC | Spartanburg (Main), | 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 | |

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| 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 |

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| | | | | | |
|--|----------------|--------|-----------|--------------|----------------|
| 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 Vincennes, 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 |
| Telrx 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 |

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| | |
|--|------------|
| 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 | Number of Leases Expiring | Approx. Square Feet Expiring | Total Annual Base Rent | % of Total Annual Base Rent |
|---------------------|----------------------------------|-------------------------------------|-------------------------------|------------------------------------|
| December 31, | | | | |
| 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) A&R Development II, LLC | Approximate Purchase Price (2) | Approximate Compensation to Sponsor (3) |
|-------------------|----------------------------------|---|---------------------------------------|--|
| Fed Ex Walker, MI | 7/25/2007 | | 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 | 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) |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | |
| Federal income tax results: | | | | | |
| Ordinary income (loss) | | | | | |

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| | | | | | | | | | | |
|------------------------------------|----|------|----|---------|----|---------|----|---------|----|----------|
| 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) |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | |
| 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: | | | | | |

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| | | | | |
|------------------------------------|-------|-------|-------|-------|
| 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 |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | |
| 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) | | | | |

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| | | | | |
|---|------|-------|-------|-------|
| 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 |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | |
| 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) | \$ | \$ |
| 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) from operations | \$ | \$ | (2) \$ 5.73 | \$ 13.14 | \$ 10.17 |
| from recapture | | | | | |

Capital gain (loss)

Cash distributions to
investors:

| | | | | | |
|--|--|-----|------|-------|-------|
| Source (on a tax basis) investment income | | (2) | 4.66 | 47.06 | 70.02 |
| 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)

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| | | | | | | | | | | |
|------------------------------------|----|--------|----|-------|----|-------|----|-------|----|-------|
| 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 | | | Walgreens- Hamilton, OH | | |
|--|-----------------------------|-------------------|------------|----------------------------|-------------------|------------|
| | 2004 | June 2004 2005 | 2006 | 2004 | July 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 | | | Walgreens- Willimantic, CT | | |
|--|----------------------------|-------------------|------------|-------------------------------|------------------------|------------|
| | 2004 | July 2004 2005 | 2006 | 2004 | September 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 |

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*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 | |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | | | |
| 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 |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | | |
| Federal income tax results: | | | | | | |
| Ordinary income (loss) | | | | | | |
| from operations | \$ | \$ 68.46 | \$ 65.22 | \$ | \$ 52.69 | \$ 65.77 |
| from recapture | | | | | | |

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| | | | | |
|------------------------------------|-------|-------|-------|-------|
| 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 |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | | |
| Federal income tax results: | | | | | | |
| Ordinary income (loss) | | | | | | |
| from operations | \$ | \$ 52.97 | \$ 65.17 | \$ | \$ 51.55 | \$ 65.79 |
| from recapture | | | | | | |

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| | | | | |
|---|-------|-------|-------|-------|
| 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) |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | | |
| Federal income tax results: | | | | | | |
| Ordinary income (loss) | | | | | | |
| from operations | \$ | \$ 62.25 | \$ 65.27 | \$ | \$ 30.32 | \$ 72.16 |
| from recapture | | | | | | |
| Capital gain (loss) | | | | | | |

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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)

| | 2004 | Walgreens- Ponca City, OK December 2004 | | Home Depot- Tacoma, WA February 2005 | |
|---|------|---|------------|--|--------------|
| | | 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 |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | | | | |
| Federal income tax results: | | | | | |
| Ordinary income (loss) | | | | | |
| from operations | \$ | \$ 30.87 | \$ 73.35 | \$ 45.49 | \$ 70.13 |
| from recapture | | | | | |

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| | | | | |
|---|-------|-------|-------|-------|
| 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 | | Best Buy | Baytown, TX | Walgreens | Kohl's |
|---|------------------------|---------------------|-----------------|--------------------|----------------------|----------------------|
| | Hermantown, MN | | | | Natchitoches, | Lakewood, |
| | September 2005 | October 2005 | | | LA | CO |
| | 2005 | 2006 | 2005 | 2006 | November 2005 | November 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) | | | | | | |

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| | | | | | | |
|---|-----------|------------|------------|-----------|-----------|-----------|
| 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)

| | | | | | | |
|-----------------|---------|----------|----------|----------|----------|----------|
| from operations | \$ 8.23 | \$ 73.21 | \$ 94.06 | \$ 57.89 | \$ 65.55 | \$ 61.31 |
| 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) | | | | | | | | | | | | |
| from operations | \$ | 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 | \$ |
| <i>Tax and Distribution Data Per \$1,000 Invested</i> | | |
| Federal income tax results: | | |
| Ordinary income (loss) | | |
| from operations | \$ 14.61 | \$ |
| from recapture | | |
| Capital gain (loss) | | |
| Cash distributions to investors: | | |

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| | | |
|---|------|------|
| 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.