Cole Credit Property Trust II, Inc.

Cole Credit Property Trust II became effective in 2005 and was formed to acquire free-standing, single-tenant, retail properties net-leased to investment-grade tenants located throughout the United States. As of the end of the first quarter, the REIT had approximately $3.4 billion in assets in 727 properties totaling 20.7 million square feet plus 69 mortgage receivables; four commercial mortgage backed securities (CMBS) bonds; a majority indirect interest in a 386,000-square-foot multi-tenant retail building; and a majority indirect interest in a ten-property storage facility portfolio. The REIT is in the Mature stage of closed REITs, which is characterized by a refinement of the portfolio through dispositions, targeted acquisitions, and debt. Valuation of shares commenced in 2010 and now stands at $8.05 per share. The REIT has a list or liquidate date of May 22, 2017.

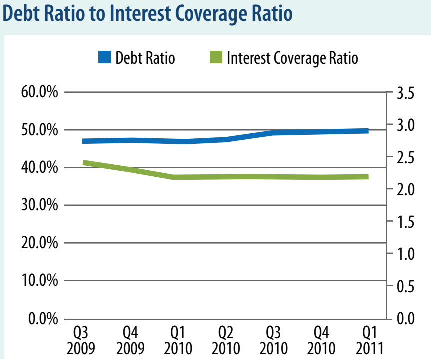
Key Highlights
- The redemption program that had been suspended in 2009 was reinstated in 2010.
- In line with the Mature stage of the REIT, both acquisitions and dispositions occurred as the REIT began to refine its portfolio.

Capital Stack Review
- Debt – The 49.9% debt-to-total assets is primarily concentrated (97%) in fixed-rate debt.
- Cash on hand – The REIT has maintained a small portion of cash on hand at 1% of total assets, demonstrating an efficient use of its capital.

Metrics
- Distribution – The current distribution yield has remained steady at 6.25% of the original $10 share price. It is 7.76% on the current share valuation.
- Distribution source – $26.1 million from operating activities, $1 million from the return of capital from unconsolidated joint ventures, and $5.1 million from the sale of marketable securities.
- MFFO Payout Ratio – Stood at 111% at the end of 1Q2011 — better than the median for closed REITs.
- Interest Coverage Ratio – Remains steady at 2.2x EBITDA.
- Impairments – The REIT took an impairment on one property in its portfolio of $4.5 million in 2010.

Real Estate
- Acquisitions – During the the first three months of 2011, the REIT purchased two properties for $8.7 million plus committed to purchasing $57.2 million in 18 properties. In 2010, $107.5 million of acquisitions were completed. Portfolios of Advanced Auto Parts stores, Childtime Childcare facilities, and CVS Pharmacies were purchased.
- Lease Expirations – The REIT's tenants have an average lease term of 11.1 years. The portfolio is currently leased at 95%, up slightly from year-end 2010.
- Revenue – Rental revenue declined 1% on a same-store (or similar property types) basis in 2010 due to a decline in occupancy from 99% to 94% during the year.
- Dispositions – No property dispositions occurred in the first quarter; however, two CMBS bonds were sold for $20.2 million, resulting in a gain of $7.9 million.
- Diversification – As of year-end 2010, the REIT's top industry sectors measured by gross annualized rental revenue were specialty retail, drugstore, and restaurant, at 18%, 16% and 13%, respectively. Geographically, the largest concentrations exist in Texas and Florida at 16% and 10%, respectively.

Debt Ratio to Interest Coverage Ratio



MFFO Payout Ratio to Distribution