

# News Release

**For information contact:**

Carolyn Gosselin, APR  
Chief Communications Officer  
CNL Financial Group  
(407) 540-2505

## CNL INCOME PROPERTIES INC. AND HFE HORIZON ANNOUNCE ACQUISITION AND LEASEBACK AGREEMENT

*-- Agreement includes two Hawaiian Falls outdoor waterparks in Texas, adding to CNL Income Properties' diverse and growing portfolio of lifestyle properties--*

(ORLANDO, Fla.) May 17, 2006 – CNL Income Properties, Inc., a real estate investment trust (REIT) focused on lifestyle properties, announced today the completion of a \$12.1 million\* acquisition and leaseback agreement that calls for CNL Income Properties to acquire two Hawaiian Falls-branded waterpark properties in The Colony, Texas and Garland, Texas from Harvest Entertainment, LLC.

“As we continue to grow our portfolio, properties such as Hawaiian Falls are ideal assets. Places where families can gather and create memories are what lifestyle real estate is all about, and the demand for this type of real estate continues to increase,” says CNL Income Properties’ President Byron Carlock. “This agreement also presents us with an opportunity to partner with one of the nation’s more experienced operators of theme parks, waterparks and family entertainment centers.”

CNL Income Properties has leased both waterparks to HFE Horizon, LP, a development and management company specializing in themed amusement parks, waterparks and family entertainment centers. HFE Horizon will operate both waterparks on a long-term, triple-net lease basis.

\*\$12.1 million is the approximate aggregate purchase price excluding closing costs.

*CNL Income Properties Announces Waterparks Acquisition /p. 2*

Both waterparks operate May through September. The waterparks have entered into a licensing and merchandising agreement with Big Idea, Inc. for daily appearances at the parks in 2006 by Veggie Tales characters Bob the Tomato and Larry the Cucumber.

The attractions and amenities of the waterparks include:

- **Hawaiian Falls – The Colony**

With approximately 150,000 visitors in 2005, the waterpark is located in a fast growing area of the Dallas-Fort Worth metroplex, about 30 miles north of downtown Dallas along the southeastern shores of Lake Lewisville in The Colony, Texas.

Specific rides and attractions currently include:

- The Waikiki Wipeout: a 65-foot tall free-fall body slide
- The Flyin' Hawaiian: an undulating speed slide from a 62-foot high tower
- The Big Kahuna: a three-person over-the-edge inner-tube ride, that propels rides straight-up, then backwards from a 40-foot drop
- Keiki Kove: home of the Rainforest jungle playground with all sorts of pulleys, rope ladders, water buckets, geysers, a 1,000-gallon dumping bucket, three 40-foot slides, and much more than can accommodate up to 350 children at one time
- Luau Cove: a picnic area with stage, lawn games and catering for group outings

- **Hawaiian Falls – Garland**

With approximately 138,000 visitors in 2005, the waterpark is located 15 miles northeast of downtown Dallas on a portion of the 129-acre W. Cecil Winters Regional Park in Garland, Texas.

Specific rides and attractions currently include:

- Pineapple Express: a four lane, open flume, head first mat slide where racers challenge one another on a 230-straightaway
- Pipeline Flume: a 450-foot flume ride on a two-person inner tube
- Waikiki Wipeout: a 65-foot tall free-fall body slide
- Keiki Cove: a multi-level play structure with geysers, buckets, gadgets and water toys for toddlers
- Splashwater Harbor: interactive swim area featuring water mushrooms for children, a rope ladder walk and wave attractions

### *CNL Income Properties Announces Waterparks Acquisition/p.3*

#### **About CNL Income Properties, Inc.**

CNL Income Properties is a real estate investment trust that owns a portfolio of 15 properties in the United States and Canada in the lifestyle and recreation sectors. Headquartered in Orlando, Fla., CNL Income Properties specializes in the acquisition of golf courses, ski resorts, marinas, campgrounds, merchandise marts, destination retail and entertainment centers, attractions and parking facilities, among other asset types. For more information, visit [www.cnl.com](http://www.cnl.com).

#### **About HFE Horizon, LLC**

HFE Horizon operates three micro-water parks in the Dallas/Ft. Worth area. The three parks, Hawaiian Falls, Garland, Texas; Hawaiian Falls, The Colony, Texas and Bahama Beach, south Dallas County, entertain nearly 450,000 guests annually and provide affordable, wholesome fun for families from throughout North Texas. Each park is approximately 10 acres with daily capacity of around 4,000 guests. The parks employ approximately 600 seasonal employees and are among the biggest employers of young people in Texas. The three Dallas/Ft. Worth waterparks are open daily on an annual basis from approximately Memorial Day to Labor Day. The principals of HFE Horizon built and operated more waterparks than any other group in America, including parks in Missouri, California, Arizona, Texas, Mississippi, Hawaii and Beijing, China. Additional information may be found on the company's Web site at <http://www.hawaiianfalls.com>.

#### **Forward-Looking Statements**

This press release may contain forward-looking statements within the meaning of the federal securities laws. All statements, other than statements of historical facts, including, among others, statements regarding CNL Income Properties' future financial positions, future acquisitions, business strategy, projected levels of growth, projected costs and projected financing needs, are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of CNL Income Properties members of their management teams, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that actual results may differ materially from those contemplated by such forward-looking statements. Many of these factors are beyond the companies' abilities to control or predict. Such factors include, but are not limited to, competition in the companies' markets, changes in family vacation patterns and consumer spending habits, the companies' abilities to attract a significant number of guests from their target markets, the companies' abilities to develop certain properties or further develop existing properties on a timely or cost-efficient basis, the companies' abilities to manage growth, potential accidents or injuries at their properties, their abilities to achieve or sustain profitability, downturns in their industry segment and extreme weather conditions, increases in operating costs and other expense items and costs, uninsured losses or losses in excess of the companies' insurance coverage, and the companies' ability to protect their intellectual property and the value of their brands.

Management believes these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. All written and oral forward-looking statements attributable to CNL Income Properties or persons acting on their behalf are qualified in their entirety by these cautionary statements. Further, forward-looking statements speak only as of the date they are made, and the companies undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless otherwise required by law.

###