

## *News Release*

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### **CNL INCOME PROPERTIES ACQUIRES ARKANSAS THEME PARK AND WATERPARK FROM MAGIC SPRINGS DEVELOPMENT CO.**

*-- Magic Springs & Crystal Falls is lifestyle REIT's sixth attractions portfolio acquisition --*

(ORLANDO, Fla.) May 1, 2007 – CNL Income Properties Inc., a real estate investment trust (REIT) focused on lifestyle properties, announced today its acquisition of Magic Springs & Crystal Falls, a theme park and a waterpark located in Hot Springs, Ark. The REIT has leased the property back to the former owner, Magic Springs Development Co., LLC, in a sale leaseback transaction. The REIT also committed to funding an additional park development plan in the amount of \$10 million for marketable attractions or improvements to the parks during the first three years of the operating lease.

Magic Springs Development Co. is an operations management company which opened the park in 2000 and will continue to operate the property under a long-term, triple-net lease.

“Magic Springs & Crystal Falls are excellent examples of regional attractions where local families can spend quality time together,” said Byron Carlock, president and CEO of CNL Income Properties. “As the Baby Boom generation ages, we expect more Baby Boomers to spend time with their families participating in lifestyle activities, and Magic Springs offers a high quality family experience.”

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In 2000, Magic Springs Development Co. redeveloped the original Magic Springs park, including doubling the park's size and enhancing its infrastructure with many new buildings, rides and attractions, including a brand new waterpark. The redeveloped attraction, called Magic Springs & Crystal Falls, was opened in 2000. Over the past seven years, Magic Springs & Crystal Falls have become Arkansas' most visited paid family attractions and have helped to revitalize Hot Springs' tourism trade.

“Edward Hart and his seasoned management team have built thriving parks that are popular destinations with Arkansas families,” said Carlock. “Their past success in operating regional parks has translated into a deep knowledge of what it takes for regional destinations to be successful. We are confident that Magic Springs Development Co. will continue to enhance these distinctive family destinations.”

The property consists of 200 acres, 70 of which are occupied by the operations of the theme park and waterpark. The theme park consists of thrill and family rides, including the new X-Coaster introduced last year. The coaster shoots riders 150 feet in the air, flips them upside down and then sends riders on a 360-degree corkscrew roll at more than 65 miles an hour. Crystal Falls' attractions include a wave pool, a slide tower with four slides, a lazy river and a wading pool for younger children.

“Our partnership with CNL Income Properties will enable us to increase our focus on the parks' operation and to continue growing Magic Springs into a premier regional attraction,” said Edward J. Hart, president and CEO of Magic Springs Development Co. “What makes CNL Income Properties a great capital partner is that the company is in tune with our needs as an attractions operator.”

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

CNL Income Properties Inc. is a real estate investment trust that owns a portfolio of 66 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. For more information, visit [www.cnl.com](http://www.cnl.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 position, 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 the CNL Income Properties' management team, 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 company's ability to control or predict. Such factors include, but are not limited to, competition in the company's markets, the company's tenants' ability to operate the properties successfully, the company's ability to attract a significant number of guests from its target markets, the company's ability to manage growth, potential accidents or injuries at its properties, the possibility of future regulatory changes or intervention, its ability to achieve or sustain profitability, downturns in its industry segments and extreme weather conditions, increases in operating costs and other expense items and costs, uninsured losses or losses in excess of the company's insurance coverage, and the company's ability to protect its intellectual property and the value of its brand.

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 its 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 company undertakes 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.

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