



News Release

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CNL INCOME PROPERTIES ANNOUNCES ACQUISITION OF PALMETTO HALL PLANTATION CLUB

*-- Acquisition represents alliance between CNL Income Properties
and Premier Golf Course Operator Heritage Golf Group --*

(ORLANDO, Fla.) May 9, 2006 – CNL Income Properties, Inc., a real estate investment trust (REIT) focused on lifestyle properties, announced today its acquisition of Palmetto Hall Plantation Club in Hilton Head, S.C. for approximately \$7.6 million.

CNL Income Properties has entered into a long-term, triple net lease with Heritage Golf Group, the owner and operator of a portfolio of private, resort and high-end daily fee golf facilities around the country, to operate the club.

“We are excited to be announcing our first expansion into golf with this well-established club,” says Rudy Anderson, CNL Income Corp. Vice President of Investments. “The acquisition is a good fit with our continued overall growth strategy to invest in golf properties in popular destinations operated by significant golf course industry leaders. Heritage Golf Group is a proven leader in delivering high-quality golf experiences and we are proud to be partnering with them on this transaction.”

The property includes two 18-hole championship golf courses designed by Arthur Hills and Robert Cupp. The club also includes a full-service clubhouse, a pro shop, two tennis courts and a swimming pool.

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CNL Income Properties Acquires Palmetto Hall Club/p.2

“This is a great opportunity for our company,” says John Hungerford, Executive Vice President of Operations at Heritage Golf Group. “Palmetto Hall is a premier property and an excellent addition to the Heritage Collection of Clubs on Hilton Head Island. Heritage is always looking to add quality facilities that have a reputation for excellent golf course design, and these two courses certainly meet that criterion. We are also looking forward to our new partnership with CNL on this project.”

About Heritage Golf Group

Heritage Golf Group began in 1999. Since then the company has grown an impressive portfolio of private, resort and high-end daily fee golf facilities around the country. The Heritage Portfolio represents some of the most well-known and acclaimed properties spanning California, Texas, Georgia, Florida, and South Carolina.

About CNL Income Properties Inc.

CNL Income Properties Inc. 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.

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.

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