

Cole Credit Property Trust II Inc
Form 10-Q
August 14, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-51963

COLE CREDIT PROPERTY TRUST II, INC.

(Exact name of registrant as specified in its charter)

Maryland
*(State or other jurisdiction of
incorporation or organization)*

2555 East Camelback Road, Suite 400

20-1676382
*(I.R.S. Employer
Identification No.)*

(602) 778-8700

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Phoenix, Arizona 85016
(Address of principal executive offices)

(Registrant's telephone number,
including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of August 10, 2006, there were 14,700,777 shares of common stock, par value \$0.01, of Cole Credit Property Trust II, Inc. outstanding.

COLE CREDIT PROPERTY TRUST II, INC.

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PART I

FINANCIAL INFORMATION

The accompanying unaudited condensed interim financial statements as of and for the three months and six months ended June 30, 2006 have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements and should be read in conjunction with the audited financial statements and related notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2005. The financial statements herein should also be read in conjunction with the notes to the financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this report. The results of operations for the three months and six months ended June 30, 2006 are not necessarily indicative of the operating results expected for the full year. The information furnished in our accompanying condensed consolidated balance sheets and condensed consolidated statements of operations, stockholders' equity, and cash flows reflects all adjustments that are, in our opinion, necessary for a fair presentation of the aforementioned financial statements.

COLE CREDIT PROPERTY TRUST II, INC.**CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	June 30, 2006	December 31, 2005
Assets:		
Real estate assets, at cost:		
Land	\$ 58,061,773	\$ 23,854,308
Buildings and improvements, less accumulated depreciation of \$1,597,056 and \$151,472, at June 30, 2006 and December 31, 2005, respectively	141,977,524	57,338,359
Acquired intangible lease assets, less accumulated amortization of \$770,802 and \$71,881 at June 30, 2006 and December 31, 2005, respectively	26,491,408	10,425,618
Total real estate assets	226,530,705	91,618,285
Cash and cash equivalents	3,344,877	4,575,144
Restricted cash	5,083,390	1,813,804
Rents and tenant receivables	649,183	36,001
Prepaid expenses and other assets	193,202	11,928
Deferred financing costs, less accumulated amortization of \$193,545 and \$17,964 at June 30, 2006 and December 31, 2005, respectively	1,867,331	754,676
Total assets	\$ 237,668,688	\$ 98,809,838
Liabilities and Stockholders' Equity:		
Mortgage notes payable	\$ 129,987,739	\$ 66,804,041
Notes payable to affiliates		4,453,000
Accounts payable and accrued expenses	1,035,422	282,797
Escrowed investor proceeds	5,083,390	1,813,804
Due to affiliates	16,847	41,384
Acquired below market lease intangibles, less accumulated amortization of \$19,560 and \$52 at June 30, 2006 and December 31, 2005, respectively	1,193,809	14,637
Distributions payable	536,858	195,209
Total liabilities	137,854,065	73,604,872
Redeemable Common Stock	782,538	
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized, none issued and outstanding at June 30, 2006 and December 31, 2005		
Common stock, \$.01 par value; 90,000,000 shares authorized, 11,375,420 and 2,832,387 shares issued and outstanding at June 30, 2006 and December 31, 2005, respectively	113,754	