

INLAND REAL ESTATE CORP
Form 10-K
March 14, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ý **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For The Fiscal Year Ended December 31, 2004

or

o **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 001-32185

INLAND REAL ESTATE CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction)

36-3953261
(I.R.S. Employer Identification No.)

of incorporation or organization)

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2901 Butterfield Road, Oak Brook, Illinois
(Address of principal executive offices)

60523
(Zip code)

Registrant's telephone number, including area code: **630-218-8000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Common Stock, \$0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of each class:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 30, 2004, the aggregate market value of the Shares of Common Stock held by non-affiliates of the registrant was \$779,848,646.

As of March 9, 2005, there were 67,109,546 shares of common stock outstanding.

Documents Incorporated by Reference: Portions of the Registrant's proxy statement for the annual stockholders meeting to be held in 2005 are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14.

INLAND REAL ESTATE CORPORATION

(a Maryland corporation)

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PART I

(In thousands, except per share data and square footage amounts)

Item 1. Business

General

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Inland Real Estate Corporation was formed on May 12, 1994. We are an owner/operator of Neighborhood Retail Centers and Community Centers located primarily within an approximate 400-mile radius of our headquarters in Oak Brook, Illinois. We own and acquire single-user retail properties located throughout the United States. We are also permitted to construct or develop properties, or render services in connection with such development or construction, subject to our compliance with the rules governing real estate investment trusts under the Internal Revenue Code of 1986, as amended (the Code). As of December 31, 2004, we had ownership interests in 140 investment properties, comprised of:

Eighty-seven Neighborhood Retail Centers totaling approximately 5,700,000 gross leasable square feet;

Twenty-four Community Centers totaling approximately 5,200,000 gross leasable square feet;

Twenty-nine single-user retail properties totaling approximately 1,300,000 gross leasable square feet.

We qualified as a real estate investment trust (REIT) under the Code for federal income tax purposes commencing with the tax year ending December 31, 1995. So long as we qualify for treatment as a REIT, we are generally not subject to federal income tax to the extent we distribute at least 90% of our REIT taxable income to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on our taxable income at regular corporate tax rates. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and property and federal income and excise taxes on our undistributed income.

Our business is not seasonal. We compete on the basis of rental rates and property operations with similar types of properties located in the vicinity of our investment properties. In addition, our properties compete against other forms of retailing such as catalog companies and e-commerce websites that offer similar retail products. We have no real property investments located outside of the United States. We compete with numerous other properties in attracting tenants. We assess and measure operating results on an individual property basis. Since all of our investment properties exhibit highly similar economic characteristics, generally have tenants that offer products catering to the day-to-day living needs of individuals, and offer similar degrees of risk and opportunities for growth, the shopping centers have been aggregated and reported as one operating segment. As of December 31, 2004, we employed a total of sixty-eight people, none of whom are represented by a union.

We review and monitor compliance with federal, state and local provisions, which have been enacted or adopted regulating the discharge of material into the environment, or otherwise relating to the protection of the environment. For the year ended December 31, 2004, we did not incur any material capital expenditures for environmental control facilities nor do we anticipate incurring material amounts during the year ending December 31, 2005.

We generally limit our indebtedness, not including funds drawn on our unsecured line of credit with KeyBank, to approximately fifty percent (50%) of the original purchase price, or current market value if higher, of the investment properties in the aggregate. As of December 31, 2004, we had borrowed a total of approximately \$599,567, of which approximately \$64,639 bears interest at variable rates. Indebtedness at December 31, 2004 was approximately 50% of the aggregate original purchase price of our investment properties.

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During the year ended December 31, 2004, we acquired six additional investment properties totaling approximately 567,000 square feet for \$78,049. Additionally, we sold four investment properties and contributed seven into joint ventures. Total proceeds from these sales were \$27,671, net of closing costs.

We intend to continue to acquire new investment properties of the type previously described in this Item 1, utilizing our cash resources as well as acquisition indebtedness. We also anticipate additional growth through our joint venture with New York State Teachers Retirement System (NYSTRS), to acquire and manage a pool of properties funded with capital provided by NYSTRS.

Conflicts of Interest Policies

Our governing documents require a majority of our directors to be independent, as defined by the New York Stock Exchange. Further, any transactions between The Inland Group, Inc. or its affiliates, and us must be approved by a majority of our independent directors.

Environmental Matters

We believe that our portfolio of investment properties complies in all material respects with all federal, state and local environmental laws, ordinances and regulations regarding hazardous or toxic substances. All of our investment properties have been subjected to Phase I or similar environmental audits at the time they were acquired. These audits, performed by independent consultants, generally involve a review of records and visual inspection of the property. These audits do not include soil sampling or ground water analysis. These audits have not revealed, nor are we aware of, any environmental liability that we believe will have a material adverse effect on our operations. These audits may not, however, reveal all potential environmental liabilities. Further, the environmental condition of our investment properties may be adversely affected by our tenants, by conditions of near-by properties or by unrelated third parties.

Access to Company Information

We electronically file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports with the Securities and Exchange Commission (SEC). The public may read and copy any of the reports that are filed with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at (800)-SEC-0330. The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically.

We make available, free of charge, through our website, and by responding to requests addressed to our director of investor relations, the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports. These reports are available as soon as reasonably practical after such material is electronically filed or furnished to the SEC. Our website address is www.inlandrealestate.com. The information contained on our website, or on other websites linked to our website, is not part of this document.

Certifications

General

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The Company has filed with the Securities and Exchange Commission the chief executive officer and chief financial officer certifications required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, which are attached as Exhibits 31.1 and 31.2 to this Annual Report on Form 10-K. In addition, the Company has filed the certification of our chief executive officer with the New York Stock Exchange (NYSE) for 2004 as required pursuant to Section 303A.12(a) of the NYSE Listed Company Manual. Our chief executive officer certified that he was not aware of any violation by the Company of the NYSE s corporate governance listing standards as of the date of the certification.

Item 2. Properties

As of December 31, 2004, we owned, outright or through joint ventures, 140 investment properties, comprised of 29 single-user retail properties, 87 Neighborhood Retail Centers and 24 Community Centers. These investment properties are located in the states of Florida (1), Illinois (94), Indiana (7), Michigan (1), Minnesota (26), Missouri (1), Ohio (3), Tennessee (1) and Wisconsin (6). Tenants of the investment properties are responsible for the payment of some or all of the real estate taxes, insurance and common area maintenance.

Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
Single-User Retail Properties						
22 nd Street Plaza Outlot (formerly known as Party City) Oakbrook Terrace, IL	10,052	11/97	1985	\$ 988	1	None
Ameritech Joliet, IL	4,504	05/97	1995	522	1	None
Bakers Shoes Chicago, IL	20,000	09/98	1891	N/A	1	Bakers Shoes
Bally's Total Fitness St. Paul, MN	43,000	09/99	1998	3,145	1	Bally's Total Fitness
Carmax Schaumburg, IL	93,333	12/98	1998	11,730	1	Carmax
Carmax Tinley Park, IL	94,518	12/98	1998	9,450	1	Carmax
Circuit City Traverse City, MI	21,337	01/99	1998	1,688	1	Circuit City
Cub Foods Arden Hills, MN	68,442	03/04	2003	N/A	1	Cub Foods
Cub Foods Buffalo Grove, IL	56,192	06/99	1999	3,650	1	Cosmic Zone
Cub Foods Hutchinson, MN	60,208	01/03	1999	N/A	0 (b)	Cub Foods (b)
Cub Foods Indianapolis, IN	67,541	03/99	1991	2,867	0 (b)	Cub Foods (b)
Cub Foods Plymouth, MN	67,510	03/99	1991	2,732	1	Cub Foods
Disney Celebration, FL	166,131	07/02	1995	13,600	1	Walt Disney World

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Dominick s Countryside, IL	62,344	12/97	1975 / 2001	1,150	1	Dominick s Finer Foods
Dominick s Glendale Heights, IL	68,879	09/97	1997	N/A	1(d)	Dominick s Finer Foods

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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/ Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
<u>Single-User Retail Properties, cont.</u>						
Dominick's Hammond, IN	71,313	05/99	1999	\$ 4,100	1	Food 4 Less
Dominick's Highland Park, IL	71,442	06/97	1996	N/A	1 (b) (d)	Dominick's Finer Foods
Dominick's Schaumburg, IL	71,400	05/97	1996	5,346	1	Dominick's Finer Foods
Dominick's West Chicago, IL	78,158	01/98	1990	N/A	0	None
Eckerd Drug Store Chattanooga, TN	10,908	05/02	1999	N/A	1	Eckerd Drug Store
Hollywood Video Hammond, IN	7,488	12/98	1998	882	1	None
Michael's Coon Rapids, MN	24,240	07/02	2001	N/A	1	Michael's
Petsmart Gurnee, IL	25,692	04/01	1997	N/A	1	Petsmart
Riverdale Commons Outlot Coon Rapids, MN	6,566	03/00	1999	N/A	1	None
Staples Freeport, IL	24,049	12/98	1998	1,730	1	Staples
United Audio Center Schaumburg, IL	9,988	09/99	1998	N/A	1	None
Walgreens Decatur, IL	13,500	01/95	1988	N/A	1 (d)	Walgreens (c)
Walgreens Jennings, MO	15,120	10/02	1996	N/A	1	Walgreens (c)
Walgreens Woodstock, IL	15,856	06/98	1973	570	1 (d)	Walgreens (c)
<u>Neighborhood Retail Centers</u>						
Aurora Commons Aurora, IL	126,908	01/97	1988	8,000	23	Jewel Food Store
Baytowne Shoppes/Square Champaign, IL	118,842	02/99	1993	8,720	20	Staples Berean Bookstore Petsmart

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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/ Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
<u>Neighborhood Retail Centers, cont.</u>						
Berwyn Plaza Berwyn, IL	18,138	05/98	1983	\$ 709	4	None
Bohl Farm Marketplace Crystal Lake, IL	97,287	12/00	2000	7,833	14	Linens & Things Dress Barn Barnes & Noble
Brunswick Market Center Brunswick, OH	119,540	12/02	1997 / 1998	7,130	15	Tops
Burnsville Crossing Burnsville, MN	91,015	09/99	1989	2,858	13	Petsmart Schneiderman's Furniture
Butera Market Naperville, IL	67,632	03/95	1991	2,350	14	Butera
Byerly's Burnsville Burnsville, MN	72,365	09/99	1988	2,916	7	Byerly's Food Store Erik's Bike Shop
Calumet Square Calumet City, IL	37,656	06/97	1967 / 1994	1,033	1(d)	Aronson Furniture
Caton Crossing Plainfield, IL	83,792	06/03	1998	7,425	16	Cub Foods
Cliff Lake Center Eagan, MN	73,582	09/99	1988	4,806	37	None
Cobblers Crossing (f) Elgin, IL	102,643	05/97	1993	2,738	16	Jewel Food Store
Crestwood Plaza Crestwood, IL	20,044	12/96	1992	904	2(d)	Pocket Billiards
Deer Trace Kohler, WI	149,881	07/02	2000	7,400	10	Michael's TJ Maxx Elder Beerman Famous Footwear
Deer Trace II Kohler, WI	24,410	08/04	2003/2004	N/A	7	None
Downers Grove Market Downers Grove, IL	104,449	03/98	1998	10,600	13	Dominick's Finer Foods
Eastgate Shopping Ctr Lombard, IL	132,145	07/98	1959 / 2000	3,345	35(b)	Schroeder's Ace Hardware

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Edinburgh Festival Brooklyn Park, MN	91,536	10/98	1997	4,625	15	Knowlan's Super Market
Elmhurst City Center Elmhurst, IL	39,090	02/98	1994	2,514	12	Walgreens (c)

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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
<u>Neighborhood Retail Centers, cont.</u>						
Fashion Square Skokie, IL	84,580	12/97	1984	\$ 6,200	15	Cost Plus World Market Office Depot
Fashion Square II Skokie, IL	7,151	11/04	1984	N/A	2	None
Forest Lake Marketplace Forest Lake, MN	93,853	09/02	2001	6,589	10(b)	MGM Liquor Warehouse Cub Foods
Four Flaggs Annex Niles, IL	21,425	11/02	1973 / 2001	N/A	5	Factory Card Outlet
Gateway Square Hinsdale, IL	40,170	03/99	1985	3,470	19	None
Goodyear Montgomery, IL	12,903	09/95	1991	630	3	None
Grand and Hunt Club Gurnee, IL	21,222	12/96	1996	1,796	3	None
Hartford Plaza Naperville, IL	43,762	09/95	1995	2,310	9	The Tile Shop
Hastings Marketplace (e) Hastings, MN	97,535	02/04	2002	4,890	10	Cub Foods
Hawthorn Village Vernon Hills, IL	98,806	08/96	1979	4,280	20	Dominick's Finer Foods Walgreens
Hickory Creek Marketplace Frankfort, IL	55,831	08/99	1999	5,750	26	None
High Point Center Madison, WI	86,004	04/98	1984	5,361	21	None
Homewood Plaza Homewood, IL	19,000	02/98	1993	1,013	1	Office Depot
Iroquois Center Naperville, IL	140,981	12/97	1983	5,950	24	Sears Logistics Services Xilin Association
Joliet Commons Ph II Joliet, IL	40,395	02/00	1999	2,400	2	Office Max
Mallard Crossing Elk Grove Village, IL	82,929	05/97	1993	4,050	12(b)	Food 4 Less

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Mankato Heights Mankato, MN	129,058	04/03	2002	8,910	19	TJ Maxx Old Navy Michael's Famous Footwear
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Maple Grove Retail Maple Grove, MN	79,130	09/99	1998	3,958	5	Roundys
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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
<u>Neighborhood Retail Centers, cont.</u>						
Maple Plaza Downers Grove, IL	31,196	01/98	1988	\$ 1,583	12	None
Marketplace at 6 Corners (f) Chicago, IL	117,000	11/98	1997	5,900	6	Jewel Food Store Marshall s
Medina Marketplace Medina, OH	72,781	12/02	1956 / 1999	5,250	8	Tops
Mundelein Plaza Mundelein, IL	68,056	03/96	1990	2,810	8	Sears
Nantucket Square Schaumburg, IL	56,981	09/95	1980	2,200	18	Cue-Can-Do
Naper West Ph II Naperville, IL	50,000	10/02	1985	N/A	1	JoAnn Fabrics
Niles Shopping Center Niles, IL	26,109	04/97	1982	1,618	6	None
Oak Forest Commons Oak Forest, IL	108,330	03/98	1998	6,619	14(b)	Dominick s Finer Foods Murry s Discount Auto
Oak Forest Commons Ph III Oak Forest, IL	7,424	06/99	1999	N/A	4	None
Oak Lawn Town Center Oak Lawn, IL	12,506	06/99	1999	N/A	4	None
Orland Greens Orland Park, IL	45,031	09/98	1984	3,550	14	Shoe Carnival MacFrugal s
Orland Park Retail Orland Park, IL	8,500	02/98	1997	625	3	None
Park Place Plaza St. Louis Park, MN	84,999	09/99	1997	6,407	14	Petsmart Office Max
Park Square Brooklyn Park, MN	137,116	08/02	1986 / 1988	5,850	20	Fashion Bug
Park St. Claire Schaumburg, IL	11,859	12/96	1994	763	2	None
Plymouth Collection Plymouth, MN	45,915	01/99	1999	5,180	11	Golf Galaxy

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Quarry Outlot Hodgkins, IL	9,650	12/96	1996	900	3	None
Regency Point Lockport, IL	54,841	04/96	1993 / 1995	N/A	18	9 th Street Fitness Ace Hardware

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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/ Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
<u>Neighborhood Retail Centers, cont.</u>						
Riverplace Center Noblesville, IN	74,414	11/98	1992	\$ 3,290	11(b)	Fashion Bug Kroger
River Square S/C Naperville, IL	58,260	06/97	1988	3,050	21	None
Rochester Marketplace Rochester, MN	69,914	09/03	2001 / 2003	5,885	15	Famous Footwear Staples Audio King
Rose Plaza Elmwood Park, IL	24,204	11/98	1997	2,670	3	Binny's
Rose Plaza East Naperville, IL	11,658	01/00	1999	1,086	5	None
Rose Plaza West Naperville, IL	14,335	09/99	1997	1,382	5	None
Salem Square Countryside, IL	112,310	08/96	1973 / 1985	3,130	7	TJ Maxx Marshall's
Schaumburg Plaza Schaumburg, IL	61,485	06/98	1994	3,904	10	Sears Hardware
Schaumburg Promenade Schaumburg, IL	91,831	12/99	1999	9,650	8	DSW Shoe Warehouse Pier 1 Imports Linens and Things
Sears Montgomery, IL	34,300	06/96	1990	1,645	6	Sears Hardware
Sequoia Shopping Center Milwaukee, WI	35,407	06/97	1988	1,505	12 (d)	None
Shakopee Valley Shakopee, MN	146,430	12/02	2000 / 2001	7,500	13	Kohl's Office Max
Shannon Square Shoppes Arden Hills, MN	29,196	06/04	2003	N/A	14	None
Shingle Creek Brooklyn Center, MN	39,456	09/99	1986	1,735	18 (b)	None
Shoppes of Mill Creek (f) Palos Park, IL	102,422	03/98	1989	2,830	23	Jewel Food Stores

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Shops at Coopers Grove Country Club Hills, IL	72,518	01/98	1991	2,900	6	None
Six Corners Chicago, IL	80,650	10/96	1966	3,100	7 (b)	Chicago Health Clubs

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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
<u>Neighborhood Retail Centers, cont.</u>						
Spring Hill Fashion Ctr West Dundee, IL	125,198	11/96	1985	\$ 7,900	18	TJ Maxx Michael's Pier One
St. James Crossing Westmont, IL	49,994	03/98	1990	3,848	21 (b)	None
Stuart's Crossing St. Charles, IL	85,529	07/99	1999	6,050	8	Jewel Food Stores
Terramere Plaza Arlington Heights, IL	40,965	12/97	1980	2,203	18	None
Townes Crossing Oswego, IL	105,989	08/02	1988	6,000	22	Jewel Food Stores
Two Rivers Plaza Bolingbrook, IL	57,900	10/98	1994	4,620	10	The Book Market Marshall's
University Crossing Mishawaka, IN	136,430	10/03	2003	8,800	20	Marshall's Babies R Us Petco Famous Footwear Dollar Tree Stores Pier 1 Imports
V. Richards Plaza Brookfield, WI	107,952	02/99	1985	8,000	24	V. Richards Market Guitar Center Pedro's Mexican Restaurant
Wauconda Shopping Ctr Wauconda, IL	31,357	05/98	1988	1,334	3 (d)	Sears Hardware
West River Crossing Joliet, IL	32,452	08/99	1999	3,500	16	None
Western & Howard Chicago, IL	11,974	04/98	1985	993	3	None
Wilson Plaza Batavia, IL	11,160	12/97	1986	650	6	None
Winnetka Commons New Hope, MN	42,415	07/98	1990	2,234	17 (b)	Walgreens(b) (c)
Wisner/Milwaukee Plaza Chicago, IL	14,677	02/98	1994	975	4	None

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Woodland Heights Streamwood, IL	120,436	06/98	1956	3,940	13	Jewel Food Stores
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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/ Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
Community Centers						
Bergen Plaza Oakdale, MN	272,233	04/98	1978	\$ 9,142	37(b)	Roundy s (b) K-Mart Petco
Chatham Ridge (f) Chicago, IL	175,774	02/00	1999	4,869	27	Cub Foods Marshall s Bally Total Fitness
Chestnut Court Darien, IL	170,027	03/98	1987	8,618	22	Just Ducky Stein Mart Powerhouse Gym Loyola Univ Medical Center Factory Card Outlet
Century Plaza Merrillville, IN	314,627	02/01	2003		5	Burlington Coat Factory
Crystal Point Crystal Lake, IL	358,423	07/04	1976/1990 s	20,100	16	Best Buy K-Mart Bed, Bath & Beyond The Sports Authority Cost Plus Ace Hardware Borders Books Office Depot
Four Flaggs Niles, IL	306,661	11/02	1973 / 1998	12,273	24	Jewel Food Stores Wickes Furniture Rhodes Office Depot REI Petsmart Jo-Ann Fabrics Books-A-Million Women s Workout World
Joliet Commons Joliet, IL	158,922	10/98	1995	13,675	16	Barnes and Noble Cinemark MC Sports La-Z Boy Showcase Shop Hometown Buffet Old Navy Petsmart
Lake Park Plaza Michigan City, IN	229,639	02/98	1990	6,490	18 (b)	Wal-Mart

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						Valuland Jo-Ann Fabrics Factory Card Outlet
Lansing Square Lansing, IL	233,508	12/96	1991	8,000	18	Sam's Club Babies R Us Office Max Jeepers

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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
Community Centers Cont.						
Maple Park Place Bolingbrook, IL	220,095	01/97	1992	\$ 12,500	26	Best Buy Sportmart Powerhouse Gym Jo-Ann Fabrics Office Depot
Naper West Naperville, IL	164,812	12/97	1985	7,695	26	TJ Maxx Barrett's Home Theater Store
Park Center Plaza Tinley Park, IL	194,599	12/98	1988	14,090	33	Bally's Total Fitness Cub Foods The Furniture Box Bud's Sport Place Chuck E. Cheese Old Country Buffet
Pine Tree Plaza Janesville, WI	187,413	10/99	1998	9,890	21	Michael's Staples TJ Maxx Gander Mountain Old Navy Petco Famous Footwear
Quarry Retail Minneapolis, MN	281,648	09/99	1997	15,670	16	Roundy's Home Depot Petsmart Office Max Old Navy Party City
Randall Square (f) Geneva, IL	216,485	05/99	1999	6,765	28	Marshall's Petsmart Bed, Bath & Beyond Michael's Factory Card Outlet Shoe Carnival Old Navy
Riverdale Commons Coon Rapids, MN	168,277	09/99	1998	9,752	17	Roundy's Office Max Wickes Furniture Petco Party City

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Rivertree Court Vernon Hills, IL	298,862	07/97	1988	17,548	42	Best Buy Kerasotes Theaters Office Depot TJ Maxx PetSMART Michael's Harlem Furniture Ulta Salon Old Country Buffet
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Property	Gross Leasable Area (Sq Ft)	Date Acq.	Year Built/Renovated	Mortgages Payable at 12/31/04	Current No. of Tenants	Anchor Tenants (a)
Community Centers Cont.						
Shops at Orchard Place Skokie, IL	165,141	12/02	2000	22,500	18	DSW Shoe Warehouse Best Buy Ulta Salon Pier 1 Imports Petco Walter E. Smithe
Springboro Plaza Springboro, OH	154,034	11/98	1992	5,510	5	K-Mart Kroger
Thatcher Woods River Grove, IL	193,313	04/02	1969 / 1999	10,200	21	A.J. Wright Dominick's Finer Foods Hanging Garden Banquets Olson's Ace Hardware
Village Ten Coon Rapids, MN	211,568	08/03	2002	8,500	12 (b)	Cub Foods Lifetime Fitness Dollar Tree Stores
Woodfield Commons E/W (f) Schaumburg, IL	207,583	10/98	1973 1975 1997	6,750	18 (b)	Toys R Us Tower Records Comp USA Cost Plus Party City Discovery Clothing Luna Carpets
Woodfield Plaza Schaumburg, IL	177,160	01/98	1992	9,600	9	Kohl's Barnes & Noble JoAnn Fabrics Joseph A. Banks Clothiers
Woodland Commons Buffalo Grove, IL	170,398	02/99	1991	11,000	36	Dominick's Finer Foods Jewish Community Center Harris Bank
Total	12,288,135			\$ 634,309		

(a) Anchor tenants are defined as any tenant occupying 10,000 or more square feet. We use the tenant's trade name, which may be different than the legal entity named on the lease.

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(b) We continue to receive rent from tenants who have vacated but are still obligated under their lease terms. These tenants continue to pay an amount equal to the contractual obligations under their lease.

(c) Beginning with the earlier date listed, pursuant to the terms of each lease, the tenant has a right to terminate prior to the lease expiration date.

(d) As of December 31, 2004, this property was held for sale.

(e) Single property joint venture with Crow Holdings, including our 50% share of debt.

(f) Joint Venture with the New York State Teachers Retirement System, including our 50% share of debt.

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The following table represents an analysis of lease expirations based on the leases in place at December 31, 2004

	Lease Expiration Year	Number of Leases Expiring	GLA Under Expiring Leases (Sq.Ft.)	Percent of Total Leased GLA	Total Annualized Base Rent (\$)	Percent of Total Annualized Base Rent (\$)	Annualized Base Rent (\$/Sq.Ft.) (2)
All Leases (1)							
1	2004	12	38,269	0.34%	479	0.35%	12.50
2	2005	176	513,799	4.51%	7,552	5.58%	14.70
3	2006	221	1,013,616	8.90%	11,874	8.78%	11.71
4	2007	257	956,031	8.39%	11,901	8.80%	12.45
5	2008	255	1,293,188	11.35%	16,583	12.26%	12.82
6	2009	252	1,376,103	12.08%	15,174	11.22%	11.03
7	2010	89	732,940	6.43%	7,909	5.85%	10.79
8	2011	31	684,434	6.01%	6,933	5.13%	10.13
9	2012	50	701,415	6.16%	8,318	6.15%	11.86
10	2013	46	535,765	4.70%	7,188	5.32%	13.42
11	2014+	108	3,548,802	31.15%	41,309	30.55%	11.64
Total Weighted Average		1,497	11,394,362	100.00%	135,221	100.00%	11.87

(1) Includes leases expiring on non-consolidated property owned in a joint venture.

(2) Annualized base rent for all leases in place at report date are calculated as follows: annualized current monthly base rents in-place.

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The following table lists the gross leasable area and approximate physical occupancy levels for our investment properties as of December 31, 2004, 2003, 2002, 2001 and 2000. N/A indicates we did not own the investment property at the end of the year.

Properties	Gross Leaseable Area	2004 %	2003 %	2002 %	2001 %	2000 %
22 nd Street Plaza Outlot (formerly known as Party City, Oakbrook Terrace, IL	10,052	100	100	100	100	100
Ameritech, Joliet, IL	4,504	100	100	100	100	100
Aurora Commons, Aurora, IL	126,908	98	100	99	97	94
Bakers Shoes, Chicago, IL	20,000	100	100	100	100	100
Bally's Total Fitness, St. Paul, MN	43,000	100	100	100	100	100
Baytowne Shoppes/Square, Champaign, IL	118,842	98	88	94	98	98
Bergen Plaza, Oakdale, MN	272,233	98(a)	98	99	99	98
Berwyn Plaza, Berwyn, IL	18,138	26	26	20	26	26
Bohl Farm Marketplace, Crystal Lake, IL	97,287	100	100	100	100	100
Brunswick Market Center, Brunswick, OH	119,540	91	83	88	N/A	N/A
Burnsville Crossing, Burnsville, MN	91,015	99	100	98	100	100
Butera Market, Naperville, IL	67,632	100	97	100	100	98
Byerly's Burnsville, Burnsville, MN	72,365	100	100	100	100	100
Calumet Square, Calumet City, IL	37,656	100	100	53	100	100
Carmax, Schaumburg, IL	93,333	100	100	100	100	100
Carmax, Tinley Park, IL	94,518	100	100	100	100	100
Caton Crossing, Plainfield, IL	83,792	95	100	N/A	N/A	N/A
Century Plaza, Merrillville, IN	314,647	49(c)	49	50	50	N/A
Chatham Ridge, Chicago, IL	175,774	95(c)	100	96	100	99
Chestnut Court, Darien, IL	170,027	88	99	97	99	97
Circuit City, Traverse City, MI	21,337	100	100	100	100	100
Cliff Lake Center, Eagan, MN	73,582	100	97	100	95	88
Cobblers Crossing, Elgin, IL	102,643	96(c)	97	100	100	98
Crestwood Plaza, Crestwood, IL	20,044	100	32	100	100	100
Crystal Point, Crystal Lake, IL	358,423	100	N/A	N/A	N/A	N/A
Cub Foods, Buffalo Grove, IL	56,192	100	0	0	0	100
Cub Foods, Hutchinson, MN	60,208	0(a)	0	N/A	N/A	N/A
Cub Foods, Indianapolis, IN	67,541	0(a)	0	0	0	100
Cub Foods, Plymouth, MN	67,510	100	100	100	100	100
Cub Foods, Arden Hills, MN	68,442	100	N/A	N/A	N/A	N/A
Deer Trace, Kohler, WI	149,881	98(b)	98	100	N/A	N/A
Deer Trace II, Kohler, WI	24,410	90	N/A	N/A	N/A	N/A
Disney, Celebration, FL	166,131	100	100	100	N/A	N/A
Dominick's, Countryside, IL	62,344	100	100	100	100	100
Dominick's, Glendale Heights, IL	68,879	100	100	100	100	100
Dominick's, Hammond, IN	71,313	100	100	100	0	0
Dominick's, Highland Park, IL	71,442	0(a)	100	100	100	100
Dominick's, Schaumburg, IL	71,400	100	100	100	100	100
Dominick's, West Chicago, IL	78,158	0	0	0	100	100
Downers Grove Market, Downers Grove, IL	104,449	99	99	99	99	99
Eastgate Shopping Center, Lombard, IL	132,145	88(a)	93	94	90	89
Eckerd Drug Store, Chattanooga, TN	10,908	100	100	100	N/A	N/A
Edinburgh Festival, Brooklyn Park, MN	91,536	100	99	100	100	100
Elmhurst City Center, Elmhurst, IL	39,090	97	97	84	66	66
Fashion Square, Skokie, IL	84,580	75	95	86	85	78

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	Gross Leaseable Area	2004 %	2003 %	2002 %	2001 %	2000 %
Properties						
Fashion Square II, Skokie, IL	7,151	100	N/A	N/A	N/A	N/A
Forest Lake Marketplace, Forest Lake, MN	93,853	98(a)	92	96	N/A	N/A
Four Flags, Niles, IL	306,661	99	81	78	N/A	N/A
Four Flags Annex, Niles, IL	21,425	100	100	100	N/A	N/A
Gateway Square, Hinsdale, IL	40,170	100	98	93	100	98
Goodyear, Montgomery, IL	12,903	100	100	100	100	77
Grand and Hunt Club, Gurnee, IL	21,222	100	100	100	21	100
Hartford Plaza, Naperville, IL	43,762	100	97	100	47	100
Hastings Marketplace, Hastings, MN	97,535	94(b)(c)	N/A	N/A	N/A	N/A
Hawthorn Village, Vernon Hills, IL	98,806	100	100	97	98	100
Hickory Creek Marketplace, Frankfort, IL	55,831	97	96	94	91	100
High Point Center, Madison, WI	86,004	92	89	91	86	82
Hollywood Video, Hammond, IN	7,488	100	100	100	100	100
Homewood Plaza, Homewood, IL	19,000	100	8	47	100	100
Iroquois Center, Naperville, IL	140,981	65	69	72	84	75
Joliet Commons, Joliet, IL	158,922	100	100	100	100	100
Joliet Commons Ph II, Joliet, IL	40,395	79	100	100	100	100
Lake Park Plaza, Michigan City, IN	229,639	74(a)	73	69	69	72
Lansing Square, Lansing, IL	233,508	99	99	97	98	99
Mallard Crossing, Elk Grove Village, IL	82,929	99(a)	32	41	29	30
Mankato Heights, Mankato, MN	129,058	100	98	N/A	N/A	N/A
Maple Grove Retail, Maple Grove, MN	79,130	97	97	97	97	91
Maple Park Place, Bolingbrook, IL	220,095	100	71	50	73	100
Maple Plaza, Downers Grove, IL	31,196	100	100	100	100	96
Marketplace at Six Corners, Chicago, IL	117,000	100(c)	100	100	100	100
Medina Marketplace, Medina, OH	72,781	100	100	100	N/A	N/A
Michael s, Coon Rapids, MN	24,240	100	100	100	N/A	N/A
Mundelein Plaza, Mundelein, IL	68,056	98	100	100	94	97
Nantucket Square, Schaumburg, IL	56,981	94	94	96	79	98
Naper West, Naperville, IL	164,812	85	85	66	73	96
Naper West Ph II, Naperville, IL	50,000	73	73	0	N/A	N/A
Niles Shopping Center, Niles, IL	26,109	83	68	73	73	100
Oak Forest Commons, Oak Forest, IL	108,330	32(a)	99	100	99	100
Oak Forest Commons Ph III, Oak Forest, IL	7,424	88	100	62	50	50
Oak Lawn Town Center, Oak Lawn, IL	12,506	100	100	100	100	100
Orland Greens, Orland Park, IL	45,031	94	100	100	97	94
Orland Park Retail, Orland Park, IL	8,500	100	100	100	100	100
Park Center Plaza, Tinley Park, IL	194,599	99	95	98	97	99
Park Place Plaza, St. Louis Park, MN	84,999	100	98	100	100	100
Park Square, Brooklyn Park, MN	137,116	55	54	93	N/A	N/A
Park St. Claire, Schaumburg, IL	11,859	100	100	100	100	100
Petsmart, Gurnee, IL	25,692	100	100	100	100	N/A
Pine Tree Plaza, Janesville, WI	187,413	97	95	95	96	96
Plymouth Collection, Plymouth, MN	45,915	100	100	94	96	100
Quarry Outlot, Hodgkins, IL	9,650	100	100	100	100	100
Quarry Retail, Minneapolis, MN	281,648	100	100	100	100	99
Randall Square, Geneva, IL	216,485	100(c)	97	100	100	99
Regency Point, Lockport, IL	54,841	100	100	100	97	97

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Properties	Gross Leaseable Area	2004 %	2003 %	2002 %	2001 %	2000 %
Riverdale Commons, Coon Rapids, MN	168,277	100	100	100	100	100
Riverdale Commons Outlot, Coon Rapids, MN	6,566	100	100	100	100	100
Riverplace Center, Noblesville, IN	74,414	94(a)	95	98	96	94
River Square Shopping Center, Naperville, IL	58,260	92	91	92	84	74
Rivertree Court, Vernon Hills, IL	298,862	99	96	99	98	100
Rochester Marketplace, Rochester, MN	69,914	91	90	N/A	N/A	N/A
Rose Naper Plaza East, Naperville, IL	11,658	100	89	100	100	100
Rose Naper Plaza West, Naperville, IL	14,335	100	100	100	100	100
Rose Plaza, Elmwood Park, IL	24,204	100	100	100	100	100
Salem Square, Countryside, IL	112,310	100	95	91	91	100
Schaumburg Plaza, Schaumburg, IL	61,485	91	97	93	60	93
Schaumburg Promenade, Schaumburg, IL	91,831	100	100	90	90	100
Sears, Montgomery, IL	34,300	100	95	95	90	100
Sequoia Shopping Center, Milwaukee, WI	35,407	76	72	68	73	80
Shakopee Valley, Shakopee, MN	146,430	100	100	100	N/A	N/A
Shannon Square, Arden Hills, MN	29,196	100	N/A	N/A	N/A	N/A
Shingle Creek, Brooklyn Center, MN	39,456	82(a)	85	96	97	83
Shoppes of Mill Creek, Palos Park, IL	102,422	100(c)	100	93	96	94
Shops at Coopers Grove, Country Club Hills, IL	72,518	18	8	9	18	20
Shops at Orchard Place, Skokie, IL	165,141	89	92	96	N/A	N/A
Six Corners, Chicago, IL	80,650	72(a)	96	88	86	86
Spring Hill Fashion Center, W. Dundee, IL	125,198	89	95	95	98	96
Springboro Plaza, Springboro, OH	154,034	100	100	100	99	100
St. James Crossing, Westmont, IL	49,994	95(a)	80	88	100	94
Staples, Freeport, IL	24,049	100	100	100	100	100
Stuart s Crossing, St. Charles, IL	85,529	98	95	95	90	86
Terramere Plaza, Arlington Heights, IL	40,965	80	96	73	69	87
Thatcher Woods, River Grove, IL	193,313	99	98	98	N/A	N/A
Townes Crossing, Oswego, IL	105,989	100	94	86	N/A	N/A
Two Rivers Plaza, Bolingbrook, IL	57,900	97	100	100	100	100
United Audio Center, Schaumburg, IL	9,988	100	100	100	100	100
University Crossing, Mishawaka, IN	136,430	98(b)	88	N/A	N/A	N/A
V. Richard s Plaza, Brookfield, WI	107,952	98	97	79	80	82
Village Ten, Coon Rapids, MN	211,568	98(a)	98	N/A	N/A	N/A
Walgreens, Decatur, IL	13,500	100	100	100	100	100
Walgreens, Jennings, MO	15,120	100	100	100	N/A	N/A
Walgreens, Woodstock, IL	15,856	100	100	100	100	100
Wauconda Shopping Center, Wauconda, IL	31,357	100	100	100	77	92
West River Crossing, Joliet, IL	32,452	95	91	91	96	97
Western & Howard, Chicago, IL	11,974	100	100	78	78	100
Wilson Plaza, Batavia, IL	11,160	78	100	100	100	100
Winnetka Commons, New Hope, MN	42,415	89(a)	65	65	62	72
Wisner/Milwaukee Plaza, Chicago, IL	14,677	100	100	100	100	100
Woodfield Commons-East/West, Schaumburg, IL	207,583	92(c)	100	100	100	100
Woodfield Plaza, Schaumburg, IL	177,160	94(a)	91			