

DEERE & CO
Form 4
June 07, 2017

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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Form 4 or
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See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
May John C II

(Last) (First) (Middle)

DEERE & COMPANY, ONE JOHN
DEERE PLACE

(Street)

MOLINE, IL 61265

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
DEERE & CO [DE]

3. Date of Earliest Transaction
(Month/Day/Year)
06/06/2017

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

President, Ag Solutions & CIO

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
\$1 Par Common Stock ⁽¹⁾	06/06/2017		M	25,130 A	\$ 86.36 49,241	D	
\$1 Par Common Stock ⁽¹⁾	06/06/2017		S	19,907 D	\$ 125.5729 29,334 ⁽³⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Date of Acquisition or Disposition (Instr. 3, 4, and 5)
Market Priced Options (1) (4)	\$ 86.36	06/06/2017		M	25,130	(5) 12/12/2022	Common Stock	25,130

Reporting Owners

Reporting Owner Name / Address	Relationships
May John C II DEERE & COMPANY ONE JOHN DEERE PLACE MOLINE, IL 61265	Director 10% Owner Officer Other President, Ag Solutions & CIO

Signatures

/s/ Paul Wilczynski, Assistant Secretary, Deere & Company, Under Power of Attorney 06/07/2017

Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Exercise of Rule 16b-3 options and related sales of shares to pay the exercise price and withholding taxes.
The sale price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$125.48 to \$125.72, inclusive. The reporting person undertakes to provide to the Issuer, any security holder of the Issuer, or the staff of the U.S. Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote.
- (2) Includes 14,070 restricted stock units granted under the John Deere Omnibus Equity and Incentive Plan to be settled solely in shares. Units include the ability to have shares withheld to satisfy income tax obligations.
- (3) All options include the ability to withhold shares upon the exercise of the option to satisfy income tax obligations.
- (4) The option became exercisable in three approximately equal tranches on December 12, 2013, 2014, and 2015.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. "> (4,262) (4,262)

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Distributions declared (\$0.49 per weighted average number of common shares outstanding)

(94,579)	(94,579)	(94,579)
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DRP

460	1,380	2	32,729	32,731	32,731
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Shares returned from litigation settlement

(900)	(1)	(2,700)	(3)	4
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Exercise of stock options

1	13	13	13
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Stock based compensation expense

48	48	48
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Balance at December 31, 2010

47,734	\$47	143,204	\$144	\$4,383,567	\$(2,111,138)	\$22,282	\$2,294,902	\$1,163	\$2,296,065
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Net loss (excluding net income of \$31 attributable to redeemable noncontrolling interests)

\$ (72,609) \$ (72,609) \$ (72,609)

Distribution upon dissolution of partnership

(8,483) (8,483) (1) (8,484)

Net unrealized gain on derivative instruments

1,211 1,211 1,211

Net unrealized loss on marketable securities

(3,486) (3,486) (3,486)

Explanation of Responses:

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Reversal of unrealized gain to recognized gain on marketable securities, net

(277) (277) (277)

Contributions from noncontrolling interests

332 332

Distributions declared (\$0.63 per weighted average number of common shares outstanding)

(120,647) (120,647) (120,647)

DRP

644 1 1,933 2 44,293 44,296 44,296

Issuance of restricted common stock

4 10

Amortization of equity awards

54 54 54

Stock based compensation expense

63 63 63

Balance at December 31, 2011

48,382	\$48	145,147	\$146	\$4,427,977	\$(2,312,877)	\$19,730	\$2,135,024	\$1,494	\$2,136,518
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Explanation of Responses:

See accompanying notes to consolidated financial statements

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Table of Contents**RETAIL PROPERTIES OF AMERICA, INC.****Consolidated Statements of Cash Flows****For the Years Ended December 31, 2011, 2010 and 2009**

(in thousands, except per share amounts)

	2011	2010	2009
Cash flows from operating activities:			
Net loss	\$ (72,578)	\$ (94,707)	\$ (115,409)
Adjustments to reconcile net loss to net cash provided by operating activities (including discontinued operations):			
Depreciation and amortization	238,020	248,089	258,592
Provision for impairment of investment properties	39,981	23,057	64,700
Impairment of marketable securities			24,831
Impairment of notes receivable			17,322
Gain on sales of investment properties, net	(30,415)	(23,421)	(26,383)
Gain on extinguishment of debt, net	(16,705)		
Loss on lease terminations	8,714	13,826	13,735
Amortization of loan fees, mortgage debt premium and discount on debt assumed, net	6,834	11,701	13,804
Equity in loss (income) of unconsolidated joint ventures, net	6,437	(2,025)	11,299
Distributions on investments in unconsolidated joint ventures	2,218	5,721	4,176
Recognized gain on sale of marketable securities, net	(277)	(4,007)	(42,870)
Payment of leasing fees	(10,786)	(6,172)	(5,048)
Changes in accounts receivable, net	4,915	8,336	1,467
Changes in accounts payable and accrued expenses, net	(813)	13,313	11,136
Changes in other operating assets and liabilities, net	(6,618)	(9,662)	15,699
Other, net	5,680	23	2,786
Net cash provided by operating activities	174,607	184,072	249,837
Cash flows from investing activities:			
Proceeds from sale of marketable securities	359	8,629	125,088
Changes in restricted escrows, net	673	(22,967)	(38,680)
Purchase of investment properties	(16,555)	(651)	(20,031)
Capital expenditures and tenant improvements	(32,509)	(34,547)	(20,747)
Proceeds from sales of investment properties	195,948	144,675	172,007
Investment in developments in progress	(3,288)	(3,219)	(15,297)
Investment in unconsolidated joint ventures	(50,030)	(3,589)	(2,879)
Distributions of investments in unconsolidated joint ventures	12,563		
Return of escrowed funds from unconsolidated joint venture		65,240	
Other, net	310	829	(5,755)
Net cash provided by investing activities	107,471	154,400	193,706

See accompanying notes to consolidated financial statements

Table of Contents**RETAIL PROPERTIES OF AMERICA, INC.****Consolidated Statements of Cash Flows (continued)****For the Years Ended December 31, 2011, 2010 and 2009**

(in thousands, except per share amounts)

	2011	2010	2009
Cash flows from financing activities:			
(Payoff of) proceeds from margin debt related to marketable securities, net	(2,476)	10,017	(56,340)
Proceeds from mortgages and notes payable	91,579	737,890	974,938
Principal payments on mortgages and notes payable	(678,071)	(1,050,997)	(1,158,195)
Proceeds from secured credit facility	574,764	90,000	30,000
Payoff of secured credit facility	(174,111)	(42,653)	(148,000)
Payment of loan fees and deposits	(12,316)	(11,498)	(31,376)
Distributions paid, net of DRP	(71,754)	(50,654)	(47,651)
Repayment of other financings		(3,410)	(55,999)
Proceeds from co-venture obligation			50,000
Other, net	(3,897)	(442)	3,817
Net cash used in financing activities	(276,282)	(321,747)	(438,806)
Net increase in cash and cash equivalents	5,796	16,725	4,737
Cash and cash equivalents, at beginning of period	130,213	125,904	121,167
Cash decrease due to deconsolidation of variable interest entity		(12,416)	
Cash and cash equivalents, at end of period	\$ 136,009	\$ 130,213	\$ 125,904
Supplemental cash flow disclosure, including non-cash activities:			
Cash paid for interest, net of interest capitalized	\$ 227,887	\$ 248,576	\$ 222,573
Distributions payable	\$ 31,448	\$ 26,851	\$ 15,657
Distributions reinvested	\$ 44,296	\$ 32,731	\$ 37,302
Accrued capital expenditures and tenant improvements	\$ 4,878	\$	\$
Developments in progress placed in service	\$ 25,651	\$ 28,312	\$ 35,126
Forgiveness of mortgage debt	\$ 15,798	\$ 50,831	\$
Shares of common stock returned as a result of litigation settlement		3,600	
Purchase of investment properties (after credits at closing):			
Land, building and other improvements, net	\$ (12,546)	\$ (651)	\$ (20,031)
Acquired lease intangibles and other assets	(4,547)		
Acquired below market lease intangibles and other liabilities	538		
	\$ (16,555)	\$ (651)	\$ (20,031)

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Proceeds from sales of investment properties:

Land, building and other improvements, net	\$ 217,700	\$ 259,308	\$ 288,635
Acquired lease intangibles and other assets	10,142	(4,697)	23,397
Mortgages and notes payable assumption	(60,000)	(97,888)	(160,489)
Forgiveness of mortgage debt		(31,756)	
Acquired below market lease intangibles and other liabilities	(5,805)	(3,713)	(5,919)
Deferred gains	2,505		
Gain on extinguishment of debt	991		
Gain on sales of investment properties, net	30,415	23,421	26,383
	\$ 195,948	\$ 144,675	\$ 172,007

Deconsolidation of variable interest entity:

Investment in unconsolidated joint ventures	\$	\$ 7,230	\$
Other assets, net		(6,386)	
Accounts payable and accrued expenses		124	
Other liabilities		7,186	
Noncontrolling interests		4,262	

Cash decrease due to deconsolidation of variable interest entity	\$	\$ 12,416	\$
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See accompanying notes to consolidated financial statements

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RETAIL PROPERTIES OF AMERICA, INC.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2011, 2010 and 2009

(1) Organization and Basis of Presentation

Retail Properties of America, Inc. (the "Company") was formed to acquire and manage a diversified portfolio of real estate, primarily multi-tenant shopping centers and single-user net lease properties. The Company was initially formed on March 5, 2003 as Inland Western Retail Real Estate Trust, Inc. On March 8, 2012, the Company filed Articles of Amendment to the Company's Fifth Articles of Amendment and Restatement with the Maryland State Department of Assessments and Taxation to effect a change of its name from Inland Western Retail Real Estate Trust, Inc. to Retail Properties of America, Inc., which was effective upon filing the Articles of Amendment.

On , 2012, the Company effected a ten to one reverse stock split of the Company's common stock outstanding. On , 2012, the Company declared a stock dividend pursuant to which each then outstanding share of its common stock received:

one share of Class B-1 Common Stock; plus

one share of Class B-2 Common Stock; plus

one share of Class B-3 Common Stock.

In connection with this stock dividend, the Company redesignated its then outstanding common stock as Class A Common Stock.

These transactions are referred to as the Recapitalization. Class B-1 Common Stock, Class B-2 Common Stock and Class B-3 Common Stock are collectively referred to as the Company's Class B Common Stock, while Class A and Class B Common Stock are collectively referred to as the Company's common stock. The Company intends to list its Class A Common Stock on the New York Stock Exchange, or NYSE (the Listing). The Company's Class B Common Stock will be identical to the Company's Class A Common Stock except that (i) the Company does not intend to list its Class B Common Stock on a national securities exchange and (ii) shares of the Company's Class B Common Stock will convert automatically into shares of the Company's Class A Common Stock at specified times. Subject to the provisions of the Company's charter, shares of Class B-1, Class B-2 and Class B-3 Common Stock will convert automatically into shares of the Company's Class A Common Stock six months following the Listing, 12 months following the Listing and 18 months following the Listing, respectively. On the 18 month anniversary of the Listing, all shares of our Class B Common Stock will have converted into the Company's Class A Common Stock. Each share of Class A Common Stock and Class B Common Stock participates in distributions equally.

All common stock share and per share data included in these consolidated financial statements give retroactive effect to the Recapitalization.

All share amounts and dollar amounts in the consolidated financial statements and notes thereto are stated in thousands with the exception of per share amounts.

The Company, through two public offerings from 2003 through 2005 and a merger consummated in 2007, issued a total of 183,793 shares of its common stock at \$25.00 per share, resulting in gross proceeds, including merger consideration, of \$4,595,193. In addition, as of December 31, 2011, the Company had issued 30,850 shares through its distribution reinvestment program (DRP) at prices ranging from \$17.125 to \$25.00 per share for gross proceeds of \$719,799 and had repurchased a total of 17,529 shares through its share repurchase program (SRP) (suspended as of November 19, 2008) at prices ranging from \$23.125 to \$25.00 per share for an aggregate cost of \$432,487. During the year ended December 31, 2010, one share was issued through the

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exercise of stock options at a price of \$22.375 per share for gross proceeds of \$13. In addition, in December 2010, 3,600 shares of common stock were transferred back to the Company from shares of common stock issued to the owners of certain entities that were acquired by the Company in its internalization transaction in conjunction with a litigation settlement. On April 12, 2011, the Company's board of directors granted an aggregate of 14 common shares to its executive officers under the Equity Compensation Plan in connection with the executive incentive compensation program. Of the total 14 shares, 7 will vest after three years and 7 will vest after five years. As of December 31, 2011, amortization of these equity awards totaled \$54. As a result, the Company had total shares outstanding of 193,529 and had realized total net offering proceeds of \$4,882,572 as of December 31, 2011.

The Company has elected to be taxed as a real estate investment trust (REIT) under the Internal Revenue Code of 1986, as amended, or the Code, commencing with the tax year ended December 31, 2003. The Company believes it has qualified for taxation as a REIT and, as such, the Company generally will not be subject to U.S. federal income tax on taxable income that is distributed to shareholders. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to U.S. federal income tax on its taxable income at regular corporate tax rates. Certain aspects of the operation of the Company's DRP prior to May 2006 may have violated the prohibition against preferential dividends. To address those issues, on June 17, 2011, the Company entered into a closing agreement with the Internal Revenue Service, or IRS, whereby the IRS agreed the terms and administration of the Company's DRP did not result in the Company's dividends paid during taxable years 2004 through 2006 being treated as preferential.

Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income, property or net worth and U.S. federal income and excise taxes on its undistributed income. The Company has one wholly-owned subsidiary that has elected to be treated as a taxable REIT subsidiary (TRS) for U.S. federal income tax purposes. A TRS is taxed on its taxable income at regular corporate tax rates. The income tax expense incurred as a result of the TRS did not have a material impact on the Company's accompanying consolidated financial statements. Through the merger consummated on November 15, 2007, the Company acquired four qualified REIT subsidiaries. Their income is consolidated with REIT income for federal and state income tax purposes.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. For example, significant estimates and assumptions have been made with respect to useful lives of assets; capitalization of development and leasing costs; fair value measurements; provision for impairment, including estimates of holding periods, capitalization rates and discount rates (where applicable); provision for income taxes; recoverable amounts of receivables; deferred taxes and initial valuations and related amortization periods of deferred costs and intangibles, particularly with respect to property acquisitions. Actual results could differ from those estimates.

Certain reclassifications, primarily as a result of discontinued operations, have been made to the 2010 and 2009 consolidated financial statements to conform to the 2011 presentation. In addition, reclassifications primarily to condense certain captions have been made to the 2010 and 2009 consolidated statement of cash flows to conform to the 2011 presentation.

The accompanying consolidated financial statements include the accounts of the Company, as well as all wholly-owned subsidiaries and consolidated joint venture investments. Wholly-owned subsidiaries generally consist of limited liability companies (LLCs) and limited partnerships (LPs).

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The Company's property ownership as of December 31, 2011 is summarized below:

	Wholly-owned	Consolidated Joint Ventures ^(a)	Unconsolidated Joint Ventures ^(b)
Operating properties ^(c)	219	55	24
Development properties ^(c)	2	1	

(a) The Company has ownership interests ranging from 50% to 87% in three LLCs or LPs.

(b) The Company has ownership interests ranging from 20% to 96% in three LLCs or LPs.

(c) During the year ended December 31, 2011, three properties previously considered development were transitioned to operating, one of which was sold prior to December 31, 2011.

The Company consolidates certain property holding entities and other subsidiaries in which it owns less than a 100% equity interest if it is deemed to be the primary beneficiary in a variable interest entity (VIE), (an entity in which the contractual, ownership, or pecuniary interests change with changes in the fair value of the entity's net assets, as defined by the Financial Accounting Standards Board (FASB)). The Company also consolidates entities that are not VIEs in which it has financial and operating control in accordance with GAAP. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in real estate joint ventures in which the Company has the ability to exercise significant influence, but does not have financial or operating control, are accounted for using the equity method of accounting. Accordingly, the Company's share of the income (or loss) of these unconsolidated joint ventures is included in consolidated net loss in the accompanying consolidated statements of operations and other comprehensive loss.

The Company is the controlling member in various consolidated entities. Noncontrolling interest is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The organizational documents of certain of these entities contain provisions that require the entities to be liquidated through the sale of their assets upon reaching a future date as specified in each respective organizational document or through put/call arrangements. As controlling member, the Company has an obligation to cause these property-owning entities to distribute proceeds of liquidation to the noncontrolling interest partners in these partially-owned entities only if the net proceeds received by each of the entities from the sale of assets warrant a distribution based on the terms of the underlying agreements. Some of the LLC or LP agreements for these entities contain put/call provisions which grant the right to the outside owners and the Company to require each LLC or LP to redeem the ownership interests of the outside owners during future periods. In instances where outside ownership interests are subject to put/call arrangements requiring settlement for fixed amounts, the LLC or LP is treated as a wholly-owned subsidiary by the Company with the amount due to the outside owner reflected as a financing arrangement and included in "Other financings" in the accompanying consolidated balance sheets. Interest expense is recorded on such liabilities in amounts equal to the preferential returns due to the outside owners as provided in the LLC or LP agreements. In instances where outside ownership interests are subject to call arrangements without fixed settlement amounts, the LLC is treated as a wholly-owned subsidiary by the Company with the amount due to the outside owner reflected as a financing and included in "Co-venture obligation" in the accompanying consolidated balance sheets. Co-venture obligation expense is recorded on such liabilities in amounts equal to the preferential returns due to the outside owners as provided in the LLC agreement.

The Company evaluates the classification and presentation of the noncontrolling interests associated with the Company's consolidated joint venture investments on an ongoing basis as facts and circumstances deem necessary. The Company makes such determinations based on numerous factors, including evaluations of the terms in applicable agreements, specifically the redemption provisions. The amount at which these interests would be redeemed is based on a formula contained in each respective agreement and, as of December 31, 2011 and 2010, was determined to approximate the carrying value of these interests. Accordingly, no adjustment to the carrying value of the noncontrolling interests in the Company's consolidated joint venture investments was made during the years ended December 31, 2011, 2010 and 2009.

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In the consolidated statements of operations and other comprehensive loss, revenues, expenses and net income or loss from less-than-wholly-owned subsidiaries are reported at the consolidated amounts, including both the amounts attributable to Company shareholders and noncontrolling interests. Consolidated statements of equity are included in the annual financial statements, including beginning balances, activity for the period and ending balances for total shareholders' equity, noncontrolling interests and total equity. Noncontrolling interests are adjusted for additional contributions by noncontrolling interest holders and distributions to noncontrolling interest holders, as well as the noncontrolling interest holders' share of the net income or loss of each respective entity.

On September 30, 2011, the Company paid \$300 to a partner in one of its consolidated development joint ventures to simultaneously settle the outstanding development fee liability of the joint venture and fully redeem the partner's ownership interest in such joint venture. The transaction resulted in an increase in the Company's ownership interest in South Billings Center from 40.0% as of December 31, 2010 to 100%.

On April 29, 2011, the Company dissolved a partnership with a partner in three of its development joint ventures resulting in increases to the Company's ownership interests to 100% in Parkway Towne Crossing, 100% in three fully occupied outlots at Wheatland Towne Crossing and 50% in Lake Mead Crossing. The remaining property of Wheatland Towne Crossing (excluding the three outlots, which the Company subsequently sold in separate transactions prior to December 31, 2011) was conveyed to the Company's partner who simultaneously repaid the related \$5,730 construction loan. Such conveyance of property resulted in a \$14,235 decrease in "Developments in progress" in the accompanying consolidated balance sheets. Concurrently with this transaction, the Company also acquired a 36.7% ownership interest in Lake Mead Crossing from another partner in that joint venture, increasing the Company's total ownership interest in the property to 86.7%. The Company accounted for this transaction, including the conveyance of property, as a nonmonetary distribution of \$8,483, reflected in the accompanying consolidated financial statements as an increase to "Accumulated distributions in excess of earnings." With respect to Lake Mead Crossing, the Company continues to hold a controlling financial interest in the joint venture and, therefore, continues to consolidate the underlying accounts and balances within the accompanying consolidated financial statements.

Below is a table reflecting the activity of the redeemable noncontrolling interests for the years ended December 31, 2011, 2010 and 2009:

	2011	2010	2009
Balance at January 1,	\$ 527	\$ 527	\$ 19,317
Redeemable noncontrolling interest income (expense)	31	31	(3,332)
Distributions	(31)	(31)	(32)
Redemptions			(15,426) ^(a)
Dissolution of partnership	(2)		
Balance at December 31,	\$ 525	\$ 527	\$ 527

(a) The redemption of noncontrolling interests in 2009 resulted in decreases to land and other assets of \$11,488 and \$2,390, respectively.

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During the years ended December 31, 2010 and 2009, the Company paid certain joint venture partners whose interests were previously classified in Other financings in the accompanying consolidated balance sheets, for the redemption of their interests in certain consolidated joint ventures as summarized below:

Redemption Date	Full or Partial Redemption	Accrued Preferred Return	Amount Included in Other Financings	Total Payment Amount
January 5, 2010	Full	\$ 20	\$ 3,410	\$ 3,430

Redemption Date	Full or Partial Redemption	Accrued Preferred Return	Amount Included in Other Financings	Total Payment Amount
January 16, 2009	Full	\$	\$ 3,410	\$ 3,410
April 28, 2009	Full	114	5,698	5,812
June 4, 2009	Partial		40,539	40,539
June 20, 2009	Full		6,352	6,352
Total for the year ended December 31, 2009		\$ 114	\$ 55,999	\$ 56,113

The Company is party to an agreement with an LLC formed as an insurance association captive (the Captive), which is wholly-owned by the Company and three related parties, Inland Real Estate Corporation (IREC), Inland American Real Estate Trust, Inc. (IARETI) and Inland Diversified Real Estate Trust, Inc. (IDRETI). The Captive is serviced by a related party, Inland Risk and Insurance Management Services, Inc. for a fee of \$25 per quarter and was formed to insure/reimburse the members deductible obligations for property and general liability insurance claims subject to certain limitations. The Company entered into the Captive to stabilize insurance costs, manage certain exposures and recoup expenses through the function of the captive program. It has been determined that the Captive is a VIE and, as the Company received the most benefit of all members through November 30, 2010, the Company was deemed to be the primary beneficiary. Therefore, the Captive was consolidated by the Company through November 30, 2010. Prior to November 30, 2010, the other members' interests are reflected as

Noncontrolling interests in the accompanying consolidated financial statements. Effective December 1, 2010, it was determined that the Company no longer received the most benefit, nor had the highest risk of loss and, therefore, was no longer the primary beneficiary. As a result, the Captive was deconsolidated and recorded under the equity method of accounting. As of December 31, 2011 and 2010, the Company's interest in the Captive is reflected in Investment in unconsolidated joint ventures in the accompanying consolidated balance sheets. The Company's share of net (loss) income of the Captive for the year ended December 31, 2011 is reflected in Equity in (loss) income of unconsolidated joint ventures, net in the accompanying consolidated statements of operations and other comprehensive loss.

On November 29, 2009, the Company formed IW JV 2009, LLC (IW JV), a wholly-owned subsidiary, and transferred a portfolio of 55 investment properties and the entities which owned them into it. Subsequently, in connection with a \$625,000 debt refinancing transaction, which consisted of \$500,000 of mortgages payable and \$125,000 of notes payable, on December 1, 2009, the Company raised additional capital of \$50,000 from a related party, Inland Equity Investors, LLC (Inland Equity) in exchange for a 23% noncontrolling interest in IW JV. IW JV, which is controlled by the Company, and therefore consolidated, is and will continue to be managed and operated by the Company. Inland Equity is owned by certain individuals, including Daniel L. Goodwin, who beneficially owns more than 5% of the common stock of the Company, and Robert D. Parks, who was the Chairman of the Board of the Company until October 12, 2010 and is the Chairman of the Board of certain affiliates of The Inland Group, Inc. (The Inland Group). The independent directors committee reviewed and recommended approval of this transaction to the Company's board of directors.

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(2) Summary of Significant Accounting Policies

Investment Properties: Investment properties are recorded at cost less accumulated depreciation. Ordinary repairs and maintenance are expensed as incurred. Expenditures for significant betterments and improvements are capitalized.

The Company allocates the purchase price of each acquired investment property based upon the estimated acquisition date fair values of the individual assets acquired and liabilities assumed, which generally include land, building and other improvements, in-place lease value, acquired above market and below market lease intangibles, any assumed financing that is assumed to be above or below market, the value of customer relationships and goodwill, if any. Transaction costs are expensed as incurred and presented within General and administrative expenses in the accompanying consolidated statements of operations and other comprehensive loss.

To augment the Company's estimates of the fair value of assets acquired and liabilities assumed, in some circumstances, the Company engages independent real estate appraisal firms to provide market information and evaluations; however, the Company is ultimately responsible for such estimates. For tangible assets acquired, including land, building and other improvements, the Company considers available comparable market and industry information in estimating acquisition date fair value. The Company allocates a portion of the purchase price to the estimated acquired in-place lease value based on estimated lease execution costs for similar leases as well as lost rental payments during an assumed lease-up period. The Company also evaluates each acquired lease as compared to current market rates. If an acquired lease is determined to be above or below market, the Company allocates a portion of the purchase price to such above or below market leases based upon the present value of the difference between the contractual lease payments and estimated market rent payments over the remaining lease term. Renewal periods are included within the lease term in the calculation of above and below market lease values if, based upon factors known at the acquisition date, market participants would consider it probable that the lessee would exercise such options. The discount rate used in the present value calculation of above and below market lease intangibles requires the Company's evaluation of subjective factors such as market knowledge, economics, demographics, location, visibility, age and physical condition of the property.

All acquisition accounting fair value estimates require the Company to consider various factors, including but not limited to, geographical location, size and location of leased space within the acquired investment property, tenant profile, and credit risk of tenants.

The portion of the purchase price allocated to acquired in-place lease value is amortized on a straight-line basis over the life of the related lease as a component of depreciation and amortization expense. The Company incurred amortization expense pertaining to acquired in-place lease value of \$38,873, \$42,366 and \$47,550 (including \$285, \$587 and \$1,773, respectively, reflected as discontinued operations) for the years ended December 31, 2011, 2010 and 2009, respectively.

The portion of the purchase price allocated to acquired above market and below market lease intangibles is amortized on a straight-line basis over the life of the related lease as an adjustment to rental income. Amortization pertaining to the above market lease value of \$4,816, \$5,654 and \$6,307 (including \$21 reflected as discontinued operations for the year ended December 31, 2009) for the years ended December 31, 2011, 2010 and 2009, respectively, was recorded as a reduction to rental income. Amortization pertaining to the below market lease value \$6,533, \$7,623 and \$8,647 (including \$15, \$40 and \$76, respectively, reflected as discontinued operations) for the years ended December 31, 2011, 2010 and 2009, respectively, was recorded as an increase to rental income.

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The following table presents the amortization during the next five years and thereafter related to the acquired in-place lease value and acquired above and below market lease intangibles for properties owned at December 31, 2011:

	2012	2013	2014	2015	2016	Thereafter
Amortization of:						
Acquired above market lease intangibles	\$ (3,475)	\$ (3,018)	\$ (2,522)	\$ (2,034)	\$ (1,558)	\$ (4,477)
Acquired below market lease intangibles	5,784	5,466	5,105	4,707	4,333	55,926
Net rental income increase	\$ 2,309	\$ 2,448	\$ 2,583	\$ 2,673	\$ 2,775	\$ 51,449
Acquired in-place lease value	\$ 35,752	\$ 32,382	\$ 23,593	\$ 15,840	\$ 13,223	\$ 36,530

Depreciation expense is computed using the straight-line method. Buildings and improvements are depreciated based upon estimated useful lives of 30 years for buildings and associated improvements and 15 years for site improvements and most other capital improvements. Tenant improvements and leasing fees are amortized on a straight-line basis over the life of the related lease as a component of depreciation and amortization expense.

Impairment: The Company's investment properties, including developments in progress, are reviewed for potential impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. At the end of each reporting period, the Company separately determines whether impairment indicators exist for each property. Examples of situations considered to be impairment indicators for both operating properties and developments in progress include, but are not limited to:

a substantial decline or continued low occupancy rate;

continued difficulty in leasing space;

significant financially troubled tenants;

a change in plan to sell a property prior to the end of its useful life or holding period;

a cost accumulation or delay in project completion date significantly above and beyond the original acquisition / development estimate;

a significant decrease in market price not in line with general market trends; and

any other quantitative or qualitative events or factors deemed significant by the Company's management or board of directors.

If the presence of one or more impairment indicators as described above is identified at the end of a reporting period or throughout the year with respect to a property, the asset is tested for recoverability by comparing its carrying value to the estimated future undiscounted cash flows. An investment property is considered to be impaired when the estimated future undiscounted cash flows are less than its current carrying value. When performing a test for recoverability or estimating the fair value of an impaired investment property, the Company makes certain complex or subjective assumptions which include, but are not limited to:

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projected operating cash flows considering factors such as vacancy rates, rental rates, lease terms, tenant financial strength, demographics, holding period and property location;

projected capital expenditures and lease origination costs;

estimated dates of construction completion and grand opening for developments in progress;

projected cash flows from the eventual disposition of an operating property or development in progress using a property-specific capitalization rate;

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comparable selling prices; and

property-specific discount rate for fair value estimates as necessary.

The Company's investments in unconsolidated joint ventures are reviewed for potential impairment, in addition to impairment evaluations of the individual assets underlying these investments, each reporting period or whenever events or changes in circumstances warrant such an evaluation. To determine whether any identified impairment is other-than-temporary, the Company considers whether it has the ability and intent to hold the investment until the carrying value is fully recovered.

To the extent impairment has occurred, the Company will record an impairment charge calculated as the excess of the carrying value of the asset over its estimated fair value for impairment of investment properties or investments in unconsolidated joint ventures.

Below is a summary of impairment charges recorded during the years ended December 31, 2011, 2010 and 2009:

	Years Ended December 31,		
	2011	2010	2009
Impairment of consolidated properties	\$ 39,981	\$ 23,057	\$ 64,700
Impairment of investment in unconsolidated joint ventures ^(a)	\$ 3,956	\$	\$ 9,062

(a) Included in Equity in (loss) income of unconsolidated joint ventures, net in the accompanying consolidated statements of operations and other comprehensive loss.

Impairment of consolidated investment properties is included in Provision for impairment of investment properties in the accompanying consolidated statements of operations and other comprehensive loss, except for \$1,958, \$12,027 and \$37,100 which is included in discontinued operations in 2011, 2010, and 2009, respectively. The Company's assessment of impairment at December 31, 2011 was based on the most current information available to the Company. If the conditions mentioned above deteriorate further or if the Company's plans regarding the Company's assets change, subsequent tests for impairment could result in additional impairment charges in the future. The Company can provide no assurance that material impairment charges with respect to the Company's investment properties and investments in unconsolidated joint ventures will not occur in 2012 or future periods. In light of the downturn in the general economy and its continuing effect upon real estate market conditions, certain of the Company's properties may have fair values less than their carrying amounts. However, based on the Company's plans with respect to those properties, the Company believes that the carrying amounts are recoverable and therefore, under applicable GAAP guidance, no additional impairment charges were recorded. Accordingly, the Company will continue to monitor circumstances and events in future periods to determine whether additional impairment charges are warranted.

Development Projects: The Company capitalizes direct and certain indirect project costs incurred during the development period such as construction, insurance, architectural, legal, interest and other financing costs, and real estate taxes. At such time as the development is considered substantially complete, the capitalization of certain indirect costs such as real estate taxes and interest and financing costs ceases and all project-related costs included in developments in progress are reclassified to land and building and other improvements. Development payables of \$237 and \$499 at December 31, 2011 and 2010, respectively, consist of costs incurred and not yet paid pertaining to such development projects and are included in Accounts payable and accrued expenses in the accompanying consolidated balance sheets. During the years ended December 31, 2011, 2010 and 2009, the Company capitalized interest cost of \$197, \$286 and \$1,194, respectively.

Loss on Lease Terminations: In situations in which a lease or leases associated with a significant tenant have been, or are expected to be, terminated early, the Company evaluates the remaining useful lives of depreciable or amortizable assets in the asset group related to the lease that will be terminated (i.e., tenant

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improvements, above and below market lease intangibles, in-place lease value, and leasing commissions). Based upon consideration of the facts and circumstances of the termination, the Company may write-off the applicable asset group or accelerate the depreciation and amortization associated with the asset group. If the Company concludes that a write-off of the asset group is appropriate, such charges are reported in the consolidated statements of operations and other comprehensive loss as Loss on lease terminations. The Company recorded loss on lease terminations of \$8,714, \$13,826 and \$13,735 (including \$2, \$14 and \$54, respectively, reflected as discontinued operations) for the years ended December 31, 2011, 2010 and 2009, respectively.

Investment Properties Held For Sale: In determining whether to classify an investment property as held for sale, the Company considers whether: (i) management has committed to a plan to sell the investment property; (ii) the investment property is available for immediate sale in its present condition; (iii) the Company has initiated a program to locate a buyer; (iv) the Company believes that the sale of the investment property is probable; (v) the Company has received a significant non-refundable deposit for the purchase of the investment property; (vi) the Company is actively marketing the investment property for sale at a price that is reasonable in relation to its current value, and (vii) actions required for the Company to complete the plan indicate that it is unlikely that any significant changes will be made.

If all of the above criteria are met, the Company classifies the investment property as held for sale. When these criteria are met, the Company suspends depreciation (including depreciation for tenant improvements and building improvements) and amortization of acquired in-place lease value and any above market or below market lease intangibles. The assets and liabilities associated with those investment properties that are held for sale are classified separately on the consolidated balance sheets for the most recent reporting period. Additionally, if the operations and cash flows of the property have been, or will be upon consummation of such sale, eliminated from ongoing operations and the Company does not have significant continuing involvement in the operations of the property, then the operations for the periods presented are classified in the consolidated statements of operations and other comprehensive loss as discontinued operations for all periods presented. There were no properties classified as held for sale at December 31, 2011 and 2010. Refer to Note 4 for more information.

Partially-Owned Entities: If the Company determines that it is an owner in a VIE and it holds a controlling financial interest, then it will consolidate the entity as the primary beneficiary. For partially-owned entities determined not to be a VIE, the Company analyzes rights held by each partner to determine which would be the consolidating party. The Company assesses its interests in variable interest entities on an ongoing basis to determine whether or not it is a primary beneficiary. Such assessments include an evaluation of who controls the entity even in circumstances in which it has greater than a 50% ownership interest as well as who has an obligation to absorb losses or a right to receive benefits that could potentially be significant to the entity. If the Company's interest does not incorporate the above elements, it will not consolidate the entity. Refer to Note 1 for more information.

Cash and Cash Equivalents: The Company considers all demand deposits, money market accounts and investments in certificates of deposit and repurchase agreements purchased with a maturity of three months or less at the date of purchase, to be cash equivalents. The Company maintains its cash and cash equivalents at various financial institutions. The combined account balances at one or more institutions periodically exceed the Federal Depositary Insurance Corporation (FDIC) insurance coverage and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company believes that the risk is not significant, as the Company does not anticipate the financial institutions' non-performance.

Marketable Securities: Investments in marketable securities are classified as available-for-sale and accordingly are carried at fair value, with unrealized gains and losses reported as a separate component of shareholders' equity. Declines in the value of these investments in marketable securities that the Company determines are other-than-temporary are recorded as recognized loss on marketable securities on the consolidated statements of operations and other comprehensive loss.

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To determine whether an impairment is other-than-temporary, the Company considers whether it has the ability and intent to hold the investment until a market price recovery and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary, among other things. Evidence considered in this assessment includes the nature of the investment, the reasons for the impairment (i.e. credit or market related), the severity and duration of the impairment, changes in value subsequent to the end of the reporting period and forecasted performance of the investee. All available information is considered in making this determination with no one factor being determinative.

Restricted Cash and Escrows: Restricted cash and escrows include funds received by third party escrow agents from sellers pertaining to master lease agreements. The Company records the third party escrow funds as both an asset and a corresponding liability until certain leasing conditions are met. Restricted cash and escrows also consist of lenders' escrows and funds restricted through lender agreements and are included as a component of Other assets, net in the accompanying consolidated balance sheets. As of December 31, 2011 and 2010, the Company had \$91,533 and \$91,786, respectively, in restricted cash and escrows.

Derivative Instruments and Hedging Activities: All derivatives are recorded in the consolidated balance sheets at their fair values within Other liabilities. On the date that the Company enters into a derivative, it may designate the derivative as a hedge against the variability of cash flows that are to be paid in connection with a recognized liability. Subsequent changes in the fair value of a derivative designated as a cash flow hedge that is determined to be highly effective are recorded in Accumulated other comprehensive income until earnings are affected by the variability of cash flows of the hedged transactions. As of December 31, 2011, the balance in accumulated other comprehensive income relating to derivatives was \$1,362. Any hedge ineffectiveness or changes in the fair value for any derivative not designated as a hedge is reported in Other income (expense), net in the consolidated statements of operations and other comprehensive loss. The Company uses derivatives to manage differences in the amount, timing and duration of the Company's known or expected cash payments principally related to certain of the Company's borrowings. The Company does not use derivatives for trading or speculative purposes.

Conditional Asset Retirement Obligations: The Company evaluates the potential impact of conditional asset retirement obligations on its consolidated financial statements. The term conditional asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Thus, the timing and/or method of settlement may be conditional on a future event. Based upon the Company's evaluation, the accrual of a liability for asset retirement obligations was not warranted as of December 31, 2011 and 2010.

Revenue Recognition: The Company commences revenue recognition on its leases based on a number of factors. In most cases, revenue recognition under a lease begins when the lessee takes possession of or controls the physical use of the leased asset. Generally, this occurs on the lease commencement date. The determination of who is the owner, for accounting purposes, of the tenant improvements determines the nature of the leased asset and when revenue recognition under a lease begins. If the Company is the owner, for accounting purposes, of the tenant improvements, then the leased asset is the finished space and revenue recognition begins when the lessee takes possession of the finished space, typically when the improvements are substantially complete. If the Company concludes it is not the owner, for accounting purposes, of the tenant improvements (the lessee is the owner), then the leased asset is the unimproved space and any tenant improvement allowances funded under the lease are accounted for as lease incentives which are amortized as a reduction to the revenue recognized over the term of the lease. In these circumstances, the Company commences revenue recognition when the lessee takes possession of the unimproved space for the lessee to construct their own improvements.

The Company considers a number of factors to evaluate whether it or the lessee is the owner of the tenant improvements for accounting purposes. These factors include:

whether the lease stipulates how and on what a tenant improvement allowance may be spent;

whether the tenant or the Company retains legal title to the improvements;

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the uniqueness of the improvements;

the expected economic life of the tenant improvements relative to the length of the lease;

who constructs or directs the construction of the improvements, and

whether the tenant or the Company is obligated to fund cost overruns.

The determination of who owns the tenant improvements, for accounting purposes, is subject to significant judgment. In making that determination, the Company considers all of the above factors. No one factor, however, necessarily establishes its determination.

Rental income is recognized on a straight-line basis over the term of each lease. The difference between rental income earned on a straight-line basis and the cash rent due under the provisions of the lease is recorded as deferred rent receivable and is included as a component of Accounts and notes receivable in the accompanying consolidated balance sheets.

Reimbursements from tenants for recoverable real estate taxes and operating expenses are accrued as revenue in the period the applicable expenditures are incurred. The Company makes certain assumptions and judgments in estimating the reimbursements at the end of each reporting period.

The Company records lease termination income upon execution of a termination letter agreement, when all of the conditions of such agreement have been fulfilled, the tenant is no longer occupying the property and collectibility is reasonably assured. Upon early lease termination, the Company provides for losses related to recognized tenant specific intangibles and other assets or adjusts the remaining useful life of the assets if determined to be appropriate, in accordance with its policy related to loss on lease terminations.

The Company's policy for percentage rental income is to defer recognition of contingent rental income until the specified target (i.e. breakpoint) that triggers the contingent rental income is achieved. The Company earned percentage rental income of \$5,496, \$6,269 and \$6,453 (including \$34, \$66 and \$284, respectively, reflected as discontinued operations) for the years ended December 31, 2011, 2010 and 2009, respectively.

In conjunction with certain acquisitions, the Company receives payments under master lease agreements pertaining to certain non-revenue producing spaces either at the time of, or subsequent to, the purchase of these properties. Upon receipt of the payments, the receipts are recorded as a reduction to the purchase price of the related properties rather than as rental income. These master leases were established at the date of acquisition in order to mitigate the potential negative effects of loss of rent and expense reimbursements. Master lease payments are received through a draw of funds deposited with a third party escrow agent at closing of any acquisition and generally cover a period from three months to three years. These funds may be released to either the Company over the designated payment period or to the seller when certain leasing conditions are met. The Company received \$259, \$789 and \$1,231 of these payments during the years ended December 31, 2011, 2010 and 2009, respectively.

Profits from sales of real estate are not recognized under the full accrual method by the Company unless a sale is consummated; the buyer's initial and continuing investments are adequate to demonstrate a commitment to pay for the property; the Company's receivable, if applicable, is not subject to future subordination; the Company has transferred to the buyer the usual risks and rewards of ownership; and the Company does not have substantial continuing involvement with the property. During the year ended December 31, 2011, the Company sold 11 investment properties, excluding investment properties partially sold to our unconsolidated joint ventures. Refer to Note 4 for further information. Eight investment properties were sold during each of the years ended December 31, 2010 and 2009, excluding investment properties partially sold to our unconsolidated joint ventures.

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Allowance for Doubtful Accounts: Receivable balances outstanding include base rents, tenant reimbursements and receivables attributable to the straight-lining of rental commitments. An allowance for the uncollectible portion of accrued rents and accounts receivable is determined on a tenant-specific basis through an analysis of balances outstanding, historical bad debt levels, tenant creditworthiness and current economic trends. Additionally, estimates of the expected recovery of pre-petition and post-petition claims with respect to tenants in bankruptcy are considered in assessing the collectibility of the related receivables. The allowance for doubtful accounts also includes allowances for notes receivable. Management's estimate of the collectibility of accrued rents, accounts receivable and notes receivable is based on the best information available to management at the time of evaluation.

Rental Expense: Rental expense associated with land and office space that the Company leases under non-cancellable operating leases is recorded on a straight-line basis over the term of each lease. The difference between rental expenses incurred on a straight-line basis and rent payments due under the provisions of the lease agreement is recorded as a deferred liability and is included as a component of Other liabilities in the accompanying consolidated balance sheets. See Note 8 for additional information pertaining to these leases.

Loan Fees: Loan fees are generally amortized using the effective interest method (or other methods which approximate the effective interest method) over the life of the related loan as a component of interest expense. Debt prepayment penalties and certain fees associated with exchanges or modifications of debt are expensed as incurred as a component of interest expense.

Segment Reporting: The Company assesses and measures the operating results of its properties based on net property operations. The Company internally evaluates the operating performance of its portfolio of properties and does not differentiate properties by geography, size or type. Each of the Company's investment properties is considered a separate operating segment, as each property earns revenue and incurs expenses, individual operating results are reviewed and discrete financial information is available. However, the Company's properties are aggregated into one reportable segment as the Company evaluates the collective performance of the properties.

Recent Accounting Pronouncements

Effective January 1, 2011, companies are required to separately disclose purchases, sales, issuances and settlements on a gross basis in the reconciliation of recurring Level 3 fair value measurements. This guidance did not have a material effect on the Company's financial statements.

Effective January 1, 2011, public companies that enter into a material business combination, or series of individually immaterial business combinations that are material in the aggregate, are required to disclose revenue and earnings of the combined entity as though the business combination, or series of business combinations, that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. In addition, supplemental pro forma disclosures are expanded. If the Company enters into a qualifying business combination, or series of business combinations, it will comply with the disclosure requirements of this guidance.

Effective January 1, 2012, guidance on how to measure fair value and on what disclosures to provide about fair value measurements will be converged with international standards. The adoption will require some additional disclosures around fair value measurement; however, the Company does not expect the adoption will have a material effect on its financial statements.

Effective January 1, 2012, public companies will be required to report components of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. This guidance does not change the items that must be reported in other comprehensive income. The Company does not expect the adoption will have any effect on its financial statements.

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During the year ended December 31, 2011, the Company acquired two additional phases of existing wholly-owned multi-tenant retail operating properties, in separate transactions, as follows:

Date	Square Footage	Property Type	Location	Purchase Price ^(a)
July 1, 2011	76,100	Multi-tenant retail	Phillipsburg, New Jersey	\$ 9,720
July 22, 2011	44,000	Multi-tenant retail	College Station, Texas	7,085
	120,100			\$ 16,805(b)

(a) No debt was assumed in either acquisition, but both properties were subsequently added as collateral to the secured credit facility.

(b) Amount represents the purchase price prior to customary prorations at closing. Separately, the Company recognized acquisition transaction costs of \$48 related to these acquisitions.

(4) Discontinued Operations and Investment Properties Held for Sale

The Company employs a business model that utilizes asset management as a key component of monitoring its investment properties to ensure that each property continues to meet expected investment returns and standards. This strategy incorporates the sale of non-core and non-strategic assets that no longer meet the Company's criteria.

The Company sold 11 properties during the year ended December 31, 2011, as summarized below:

Date	Square Footage	Property Type	Location	Sales Price	Debt Extinguishment	Net Sales Proceeds / (Outflow)	Gain
December 22, 2011	62,800	Multi-tenant retail	Thousand Oaks, California	\$ 13,325	\$	\$ 13,092	\$ (a)
Various (b)	11,700	Multi-tenant retail	Dallas, Texas	5,505		5,245	4,412
December 12, 2011	60,000	Single-user retail	Concord, North Carolina	5,800		5,698	910
November 18, 2011	13,800	Single-user retail	Cave Creek, Arizona	6,000		5,872	509
October 14, 2011	194,900	Multi-tenant retail	Mesa, Arizona	3,000		2,644	(c)
August 18, 2011	1,000,400	Single-user industrial	Ottawa, Illinois	48,648	40,000(d)	8,482	12,862
July 1, 2011	110,200	Single-user retail	Douglasville, Georgia	3,250	3,250(e)	(57)	1,655
April 28, 2011	1,066,800	Single-user industrial	Various (f)	36,000		34,619	702
March 7, 2011	183,200	Single-user retail	Blytheville, Arkansas	12,632		12,438	2,069
March 7, 2011	88,400	Single-user retail	Georgetown, Kentucky	10,182		10,055	1,390
	2,792,200			\$ 144,342	\$ 43,250	\$ 98,088	\$ 24,509

- (a) No gain or loss was recognized upon disposition as the Company recorded an impairment charge of \$636 based upon the negotiated sales price less costs to sell.

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- (b) During November and December 2011, the Company sold all three outlots at Wheatland Towne Crossing and thus has no continuing involvement at the property.
- (c) No gain or loss was recognized upon disposition as the Company recorded an impairment charge of \$1,322 based upon the negotiated sales price less costs to sell.
- (d) Of the proceeds received at closing, \$40,000 was used to pay down borrowings on the secured credit facility.
- (e) The debt was repaid in conjunction with the sale.
- (f) The terms of the sale of two properties located in North Liberty, Iowa and El Paso, Texas were negotiated as a single transaction. In addition, as part of its overall liquidity strategy, the Company continues to increase its participation in joint ventures. The Company partially sold one property during the year ended December 31, 2011 to the RioCan joint venture (an unconsolidated joint venture further discussed in Note 12), which, due to the Company's 20% ownership interest in the joint venture, did not qualify for discontinued operations accounting treatment, as summarized below:

Date	Square Footage	Property Type	Location	Sales Price (at 100%)	Debt Extinguishment (at 100%)	Net Sales Proceeds	Loss
August 22, 2011	654,200	Multi-tenant retail	Austin, Texas	\$ 110,799	\$ 60,000(a)	\$ 39,935	\$ (3,047)

- (a) The debt was assumed by the RioCan joint venture in conjunction with the acquisition. The Company also received net proceeds of \$14,675 and recorded gains of \$8,953 from condemnation awards, earnouts, and the sale of a parcel at one of its developments in progress. The aggregate net proceeds, including \$43,250 of debt repayments at closing, from the property sales and additional transactions during the year ended December 31, 2011 totaled \$195,948 with aggregate gains of \$30,415.

During 2010, the Company sold eight properties, which resulted in net sales proceeds of \$21,024, gain on sale of \$23,806 and extinguishment of \$106,791 of debt. In addition, during 2010, the Company partially sold eight properties to its RioCan joint venture, which resulted in net sales proceeds of \$48,616, loss on sale of \$385 and extinguishment of \$97,888 of debt.

During 2009, the Company sold eight properties, which resulted in net sales proceeds of \$123,944 and gain on sale of \$26,383.

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The Company does not allocate general corporate interest expense to discontinued operations. The results of operations for the years ended December 31, 2011, 2010 and 2009 for the investment properties that are accounted for as discontinued operations are presented in the table below:

	Years Ended December 31,		
	2011	2010	2009
Revenues:			
Rental income	\$ 5,576	\$ 13,693	\$ 35,808
Tenant recovery income	1,077	1,784	5,520
Other property income	45	1,148	1,003
Total revenues	6,698	16,625	42,331
Expenses:			
Property operating expenses	865	4,390	4,936
Real estate taxes	787	2,192	4,024
Depreciation and amortization	2,422	7,368	15,021
Provision for impairment of investment properties	1,958	12,027	37,100
Loss on lease terminations	2	14	54
General and administrative expenses	35		
Interest expense	490	7,708	16,222
Other expense (income), net	1	(381)	(764)
Total expenses	6,560	33,318	76,593
Operating income (loss) from discontinued operations	\$ 138	\$ (16,693)	\$ (34,262)

There were no consolidated properties classified as held for sale as of December 31, 2011 and 2010.

(5) Transactions with Related Parties

The Inland Group and its affiliates are related parties because of the Company's relationships with Daniel L. Goodwin, Robert D. Parks and Brenda G. Gujral, each of whom are significant shareholders and/or principals of the Inland Group or hold directorships and are executive officers of affiliates of the Inland Group. Specifically, Mr. Goodwin is the Chairman, chief executive officer and a significant shareholder of the Inland Group. Mr. Parks is a principal and significant shareholder of the Inland Group. Messrs. Goodwin and Parks and Ms. Gujral hold a variety of positions as directors and executive officers of Inland Group affiliates. With respect to the Company, Mr. Goodwin is a beneficial owner of more than 5% of the Company's common stock, Mr. Parks was a director and Chairman of the Company's board of directors until October 12, 2010 and Ms. Gujral is currently one of the Company's directors and has held this directorship since 2003. Therefore, due to these relationships, transactions involving the Inland Group and/or its affiliates are set forth below.

Fee Category	For the Years Ended December 31,			Unpaid Amount as of December 31,	
	2011	2010	2009	2011	2010
Investment advisor ^{(a) (h)}	\$ 269	\$ 272	\$ 67	\$ 22	\$ 22
Loan servicing ^{(b) (i)}	186	282	372		
Mortgage financing ^{(c) (i)}		88			
Institutional investor relationship services ^{(d) (i)}		18	34		
Legal ^{(e) (i)}	352	343	551	110	100
Computer services ^{(f) (i)}	1,718	1,410	1,459	323	165
Office and facilities management services ^{(f) (i)}	493	588	561	129	83
Other service agreements ^{(f) (i)}	1,920	639	1,007	130	
Office rent and reimbursements ^(g)	969	949	1,162	310	155

Total	\$ 5,907	\$ 4,589	\$ 5,213	\$ 1,024	525
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(a) An Inland affiliate, a registered investment advisor, provides investment advisory services to the Company related to the Company's securities investment account for a fee (paid monthly) of up to one percent per annum based upon the aggregate fair value of the Company's assets invested. Subject to the Company's

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approval and the investment guidelines it provides to them, the Inland affiliate has discretionary authority with respect to the investment, reinvestment, sale (including by tender) of all securities held in that account. The Inland affiliate has also been granted power to vote all investments held in the account. Effective for the period from November 1, 2008 through September 30, 2009, the investment advisor agreed to waive all fees due at the request of the Company. Fees were incurred again beginning on October 1, 2009.

- (b) An Inland affiliate provides loan servicing for the Company for a monthly fee based upon the number of loans being serviced.
- (c) An Inland affiliate facilitates the mortgage financing the Company obtains on some of its properties. The Company pays the Inland affiliate 0.2% of the principal amount of each loan obtained on the Company's behalf. Such costs are capitalized as loan fees and amortized over the respective loan term as a component of interest expense.
- (d) The Company has an institutional investor relationships services agreement with an Inland affiliate. Under the terms of the agreement, the Inland affiliate will attempt to secure institutional investor commitments in exchange for advisory and client fees and reimbursement of project expenses.
- (e) An Inland affiliate has a legal services agreement with the Company, where that Inland affiliate will provide the Company with certain legal services in connection with the Company's real estate business. The Company will pay the Inland affiliate for legal services rendered under the agreement on the basis of actual time billed by attorneys and paralegals at the Inland affiliate's hourly billing rate then in effect. The billing rate is subject to change on an annual basis, provided, however, that the billing rates charged by the Inland affiliate will not be greater than the billing rates charged to any other client and will not be greater than 90% of the billing rate of attorneys of similar experience and position employed by nationally recognized law firms located in Chicago, Illinois performing similar services.
- (f) The Company has service agreements with certain Inland affiliates, including office and facilities management services, insurance and risk management services, computer services, personnel services, property tax services and communications services. Generally, these agreements provide that the Company obtain certain services from the Inland affiliates through the reimbursement of a portion of their general and administrative costs. The services are to be provided on a non-exclusive basis in that the Company shall be permitted to employ other parties to perform any one or more of the services and that the applicable counterparty shall be permitted to perform any one or more of the services to other parties.
- (g) The Company subleases its office space from an Inland affiliate. The lease calls for annual base rent of \$496 and additional rent in any calendar year of its proportionate share of taxes and common area maintenance costs. Additionally, the Inland affiliate paid certain tenant improvements under the lease in the amount of \$395 and such improvements are being repaid by the Company over a period of five years. The sublease calls for an initial term of five years which expires in November 2012, with one option to extend for an additional five years.
- (h) The agreement is non-exclusive as to both parties and is cancellable by providing not less than 30 days prior written notice and specification of the effective date of said termination.
- (i) The agreement is non-exclusive as to both parties and is cancellable by providing not less than 180 days prior written notice and specification of the effective date of said termination.

On April 30, 2009, the Company sold two single-user office buildings to IARETI with an aggregate sales price of \$99,000, which resulted in net sales proceeds of \$34,572 and a gain on sale of \$7,010. The properties were located in Salt Lake City, Utah and Greensboro, North Carolina with approximately 395,800 square feet and 389,400 square feet, respectively. The sale resulted in the assumption of debt in the amount of \$63,189 by IARETI. The special committee, consisting of independent directors, reviewed and recommended approval of these transactions to the Company's board of directors.

On June 24, 2009, the Company sold an approximately 185,200 square foot single-user office building located in Canton, Massachusetts, to IARETI with a sales price of \$62,632, which resulted in net sales proceeds of \$17,991 and a gain on sale of \$2,337. The sale resulted in the assumption of debt in the amount of \$44,500 by IARETI. The special committee, consisting of independent directors, reviewed and recommended approval of this transaction to the Company's board of directors.

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On December 1, 2009, the Company raised additional capital of \$50,000 from a related party, Inland Equity, in exchange for a 23% noncontrolling interest in IW JV. Refer to Notes 1 and 11 for additional information. The independent directors committee reviewed and recommended approval of this transaction to the Company's board of directors.

(6) Marketable Securities

The following summarizes the Company's net investment in marketable securities as of December 31, 2011 and 2010:

	Common Stock	Preferred Stock	Total Available- for-Sale Securities
As of December 31, 2011:			
Fair value	\$ 11,550	\$ 18,835	\$ 30,385
Amortized cost basis	\$ 28,997	\$ 38,242	\$ 67,239
Total other-than-temporary impairment recognized	\$ 23,889	\$ 31,308	\$ 55,197
Adjusted cost basis	\$ 5,108	\$ 6,934	\$ 12,042
Net gains in accumulated other comprehensive income (OCI)	\$ 6,615	\$ 11,942	\$ 18,557
Net losses in accumulated OCI	\$ (173) ^(a)	\$ (41) ^(b)	\$ (214)
As of December 31, 2010:			
Fair value	\$ 15,117	\$ 19,113	\$ 34,230
Amortized cost basis	\$ 28,997	\$ 38,592	\$ 67,589
Total other-than-temporary impairment recognized	\$ 23,889	\$ 31,576	\$ 55,465
Adjusted cost basis	\$ 5,108	\$ 7,016	\$ 12,124
Net gains in accumulated OCI	\$ 10,009	\$ 12,097	\$ 22,106

(a) This amount represents the gross unrealized losses of one common stock security with a fair value of \$765 as of December 31, 2011. This security has been in a continuous unrealized loss position for less than 12 months as of December 31, 2011.

(b) This amount represents the gross unrealized losses of one preferred stock security with a fair value of \$130 as of December 31, 2011. This security has been in a continuous unrealized loss position for less than 12 months as of December 31, 2011.

The following table summarizes activity related to the Company's marketable securities for the years ended December 31, 2011, 2010 and 2009:

	Years Ended December 31,		
	2011	2010	2009
Net unrealized OCI (loss) gain	\$ (3,486)	\$ 13,742	\$ 35,594
Other-than-temporary impairment	\$	\$	\$ 24,831
Net gain on sales of securities	\$ 277	\$ 4,007	\$ 42,870

(7) Stock Option Plan and Board of Directors Activity

The Company's Equity Compensation Plan (Equity Plan), subject to certain conditions, authorizes the issuance of stock options, restricted stock, stock appreciation rights and other similar awards to the Company's employees in connection with compensation and incentive arrangements that may be established by the Company's board of directors. As of December 31, 2011, 14 shares of restricted stock under the Equity Plan had been granted. On April 12, 2011, these 14 shares were granted, 7 of which will vest after three years and 7 of which will vest after five years. The Company recorded compensation expense of \$46 during the year ended December 31, 2011 related to these grants.

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During 2011, the Compensation Committee approved an executive incentive compensation program pursuant to which the Company's executives are eligible to receive shares of restricted common stock. For each executive, a portion of his award, if any, will be based upon individual performance goals that have been determined previously by the Compensation Committee and a portion, if any, will be based on certain corporate performance measures. The Company recorded compensation expense of \$34 during 2011 related to this incentive compensation program. As of the date of this filing, the Compensation Committee had not yet met to grant the shares of restricted stocks related to the 2011 awards, if any.

A summary of the status of unvested restricted shares, all of which were granted on April 12, 2011 to the Company's executives, for the year ended December 31, 2011 is as follows:

	Unvested Restricted Shares	Weighted Average Grant Date Fair Value per Restricted Share
Balance at January 1, 2011		
Shares granted	14	\$ 17.13
Shares vested		
Shares forfeited		
Balance at December 31, 2011	14	\$ 17.13

As of December 31, 2011, total unrecognized compensation expense related to unvested restricted shares was \$179, which is expected to be amortized over a weighted average term of 3.2 years.

The Company's Independent Director Stock Option Plan (Option Plan), as amended, provides, subject to certain conditions, for the grant to each independent director of options to acquire shares following their becoming a director and for the grant of additional options to acquire shares on the date of each annual shareholders' meeting. As of December 31, 2011 and 2010, options to purchase 70 and 56 shares of common stock, respectively, had been granted, of which options to purchase one share had been exercised and none had expired.

The Company calculates the per share weighted average fair value of options granted on the date of the grant using the Black-Scholes option pricing model utilizing certain assumptions regarding the expected dividend yield (3.56%), risk-free interest rate (1.14%), expected life (five years) and expected volatility rate (30%). Compensation expense of \$63, \$48 and \$24 related to these stock options was recorded during the years ended December 31, 2011, 2010 and 2009, respectively.

On March 8, 2011, the Company's board of directors increased the number of directors comprising the board of directors from eight to nine and elected Steven P. Grimes to the board of directors effective immediately. Mr. Grimes served as President, Chief Executive Officer, Chief Financial Officer and Treasurer of the Company through December 31, 2011 and will continue to serve as President and Chief Executive Officer of the Company in 2012. On December 13, 2011, the board of directors appointed Angela M. Aman to serve as Executive Vice President, Chief Financial Officer and Treasurer of the Company effective January 1, 2012.

On June 14, 2011, the Company's board of directors established an estimated per-share value of the Company's common stock of \$17.375 to assist broker dealers in connection with their obligations under applicable Financial Industry Regulatory Authority (FINRA) rules and to assist fiduciaries in discharging their obligations under Employee Retirement Income Security Act (ERISA) reporting requirements. As a result, the Company amended the DRP, effective August 31, 2011, solely to modify the purchase price from \$17.125 to \$17.375. Thus, since August 31, 2011, additional shares of common stock purchased under the DRP have been purchased at \$17.375 per share.

Table of Contents**(8) Leases*****Master Lease Agreement***

In conjunction with certain acquisitions, the Company receives payments under master lease agreements pertaining to certain non-revenue producing spaces at the date of acquisition for periods generally ranging from three months to three years after the date of purchase or until the spaces are leased. As these payments are received, they are recorded as a reduction to the purchase price of the respective property rather than as rental income. The cumulative amount of such payments was \$27,625, \$27,366 and \$26,577, as of December 31, 2011, 2010 and 2009, respectively.

Operating Leases

The majority of revenues from the Company's properties consist of rents received under long-term operating leases. Some leases provide for the payment of fixed base rent paid monthly in advance, and for the reimbursement by tenants to the Company for the tenant's pro rata share of certain operating expenses including real estate taxes, special assessments, insurance, utilities, common area maintenance, management fees and certain building repairs paid by the landlord and recoverable under the terms of the lease. Under these leases, the landlord pays all expenses and is reimbursed by the tenant for the tenant's pro rata share of recoverable expenses paid. Certain other tenants are subject to net leases which provide that the tenant is responsible for fixed base rent, as well as all costs and expenses associated with occupancy. Under net leases where all expenses are paid directly by the tenant rather than the landlord, such expenses are not included in the accompanying consolidated statements of operations and other comprehensive loss. Under net leases where all expenses are paid by the landlord, subject to reimbursement by the tenant, the expenses are included in Property operating expenses and reimbursements are included in Tenant recovery income in the accompanying consolidated statements of operations and other comprehensive loss.

In certain municipalities, the Company is required to remit sales taxes to governmental authorities based upon the rental income received from properties in those regions. These taxes may be reimbursed by the tenant to the Company depending upon the terms of the applicable tenant lease. As with other recoverable expenses, the presentation of the remittance and reimbursement of these taxes is on a gross basis whereby sales tax expenses are included in Property operating expenses and sales tax reimbursements are included in Other property income in the accompanying consolidated statements of operations and other comprehensive loss. Such taxes remitted to governmental authorities and reimbursed by tenants were \$1,874, \$1,928 and \$2,015 for the years ended December 31, 2011, 2010 and 2009, respectively.

Minimum lease payments to be received under operating leases, excluding payments under master lease agreements and assuming no expiring leases are renewed, are as follows:

	Minimum Lease Payments	
2012	\$	526,380
2013		484,140
2014		416,455
2015		347,893
2016		296,669
Thereafter		1,303,207
Total	\$	3,374,744

The remaining lease terms range from less than one year to more than 69 years.

In certain properties where there are large tenants, other tenants may have co-tenancy provisions within their leases that provide a right of termination or reduced rent if certain large tenants or shadow tenants discontinue operations. The Company does not expect that such co-tenancy provisions will have a material impact on the future operating results.

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The Company leases land under non-cancellable operating leases at certain of its properties expiring in various years from 2018 to 2105. The related ground lease rent expense is included in *Property operating expenses* in the accompanying consolidated statements of operations and other comprehensive loss. In addition, the Company leases office space for certain management offices from third parties and subleases its corporate office space from an Inland affiliate. In the accompanying consolidated statements of operations and other comprehensive loss, office rent expense related to property management operations is included in *Property operating expenses* and office rent expense related to corporate office operations is included in *General and administrative expenses*.

	Years Ended December 31,		
	2011	2010	2009
Ground lease rent expense	\$ 10,094	\$ 10,252	\$ 10,074
Office rent expense - related party	\$ 496	\$ 496	\$ 496
Office rent expense - third party	\$ 337	\$ 261	\$ 314

Minimum future rental payments to be paid under the ground leases and office leases are as follows:

	Minimum Lease Payments
2012	\$ 7,089
2013	6,558
2014	6,696
2015	6,600
2016	6,699
Thereafter	545,538
Total	\$ 579,180

(9) Mortgages and Notes Payable

The following table summarizes the Company's mortgages and notes payable at December 31, 2011 and 2010:

	December 31,	
	2011	2010
Fixed rate mortgages payable:		
Mortgage loans ^(a)	\$ 2,691,323	\$ 3,334,784
Premium, net of accumulated amortization	10,858	17,534
Discount, net of accumulated amortization	(2,003)	(2,502)
	2,700,178	3,349,816
Variable rate mortgages payable:		
Mortgage loans		17,389
Construction loans	79,599	86,768
	79,599	104,157
Mortgages payable	2,779,777	3,453,973
Notes payable	138,900	138,900
Margin payable	7,541	10,017
Mortgages and notes payable	\$ 2,926,218	\$ 3,602,890

- (a) Includes \$76,269 and \$67,504 of variable rate debt that was swapped to a fixed rate as of December 31, 2011 and 2010, respectively.

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Table of Contents***Mortgages Payable***

Mortgages payable outstanding as of December 31, 2011 were \$2,779,777 and had a weighted average interest rate of 6.13%. Of this amount, \$2,700,178 had fixed rates ranging from 4.61% to 8.00% (9.78% for matured mortgages payable) and a weighted average fixed rate of 6.20% at December 31, 2011. The weighted average interest rate for the fixed rate mortgages payable excludes the impact of the premium and discount amortization. The remaining \$79,599 of mortgages payable represented variable rate loans with a weighted average interest rate of 3.77% at December 31, 2011. Properties with a net carrying value of \$4,086,595 at December 31, 2011 and related tenant leases are pledged as collateral for the mortgage loans. Properties with a net carrying value of \$126,585 at December 31, 2011 and related tenant leases are pledged as collateral for the construction loans. As of December 31, 2011, the Company's outstanding mortgage indebtedness had various scheduled maturity dates through March 1, 2037.

During the year ended December 31, 2011, the Company obtained mortgages payable proceeds of \$91,579, of which a \$60,000 mortgage payable was subsequently assumed by the RioCan joint venture on August 22, 2011, made mortgages payable repayments of \$637,474 (excluding principal amortization of \$40,597) and received forgiveness of debt of \$15,798. The mortgages payable originated during the year ended December 31, 2011 have a fixed or variable interest rate ranging from 2.50% to 5.50%, a weighted average interest rate of 3.84% and a maturity date up to 15 years. The fixed or variable interest rates of the loans repaid during the year ended December 31, 2011 ranged from 2.49% to 8.00% and had a weighted average interest rate of 5.14%. The Company also entered into modifications of four existing loan agreements which extended the maturities of \$16,116 of mortgages payable to May 1, 2014, a \$7,137 mortgage payable to September 30, 2016 and a matured mortgage payable with a balance of \$5,336 to November 1, 2011, on which date it was repaid.

Mortgages payable outstanding as of December 31, 2010 were \$3,453,973 and had a weighted average interest rate of 5.99%. Of this amount, \$3,349,816 had fixed rates ranging from 4.44% to 8.00% (10.04% for matured mortgages payable) and a weighted average fixed rate of 6.04% at December 31, 2010. The weighted average interest rate for the fixed rate mortgages payable excludes the impact of the premium and discount amortization. The remaining \$104,157 of mortgages payable represented variable rate loans with a weighted average interest rate of 4.47% at December 31, 2010. Properties with a net carrying value of \$5,170,029 at December 31, 2010 and related tenant leases were pledged as collateral for the mortgage loans. Development properties with a net carrying value of \$148,808 at December 31, 2010, of which \$62,704 is included in developments in progress and the remaining balance of \$86,104 is included in net investment properties, and related tenant leases were pledged as collateral for the construction loans. As of December 31, 2010, the Company's outstanding mortgage indebtedness had various scheduled maturity dates through March 1, 2037.

The majority of the Company's mortgages payable require monthly payments of principal and interest, as well as reserves for real estate taxes and certain other costs. Although the loans obtained by the Company are generally non-recourse, occasionally, when it is deemed necessary, the Company may guarantee all or a portion of the debt on a full-recourse basis. As of December 31, 2011, the Company had guaranteed \$24,399 of the outstanding mortgages payable with maturity dates ranging from February 11, 2013 through September 30, 2016 (see Note 17). At times, the Company has borrowed funds financed as part of a cross-collateralized package, with cross-default provisions, in order to enhance the financial benefits. In those circumstances, one or more of the properties may secure the debt of another of the Company's properties. Individual decisions regarding interest rates, loan-to-value, debt yield, fixed versus variable-rate financing, term and related matters are often based on the condition of the financial markets at the time the debt is issued, which may vary from time to time.

As of December 31, 2011, the Company had two mortgages payable, totaling \$51,769, which had matured and had not been repaid or refinanced. In the second quarter of 2010, the Company ceased making the monthly debt service payment on one of these mortgages payable with an outstanding principal balance of \$26,865 as of December 31, 2011. The non-payment of this monthly debt service amounts to \$1,311 annually and does not result in noncompliance under any of our other mortgages payable or secured credit agreements. Subsequent to

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December 31, 2011, the Company made payments of \$664 relating to the other matured mortgage payable with an outstanding principal balance of \$24,904. As of December 31, 2011, the Company had accrued \$4,842 of interest related to these mortgages payable. The Company has attempted to negotiate and has made offers to the lenders to determine an appropriate course of action under these non-recourse loan agreements; however no assurance can be provided that negotiations will result in a favorable outcome.

Some of the mortgage payable agreements include periodic reporting requirements and/or debt service coverage ratios which allow the lender to control property cash flow if the Company fails to meet such requirements. Management believes the Company was in compliance with such provisions as of December 31, 2011.

Notes Payable

The following table summarizes the Company's notes payable as of December 31, 2011 and 2010:

	December 31,	
	2011	2010
IW JV Senior Mezzanine Note	\$ 85,000	\$ 85,000
IW JV Junior Mezzanine Note	40,000	40,000
Mezzanine Note	13,900	13,900
	\$ 138,900	\$ 138,900

Notes payable outstanding as of December 31, 2011 were \$138,900 and had a weighted average interest rate of 12.62%. Of this amount, \$125,000 represents notes payable proceeds from a third party lender related to the debt refinancing transaction for IW JV. The notes have fixed interest rates ranging from 12.24% to 14.00%, mature on December 1, 2019 and are secured by 100% of the Company's equity interest in the entity owning the IW JV investment properties. The IW JV notes can be prepaid beginning in February 2013 for a fee ranging from 1% to 5% of the outstanding principal balance depending on the date the prepayment is made.

During the year ended December 31, 2010, the Company borrowed \$13,900 from a third party in the form of a mezzanine note and used the proceeds as a partial paydown of the mortgage payable, as required by the lender. The mezzanine note bears interest at 11.00% and matures on December 16, 2013.

Derivative Instruments and Hedging Activities*Risk Management Objective of Using Derivatives*

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risk, including interest rate, liquidity and credit risk primarily by managing the amount, sources and duration of its debt funding and, to a limited extent, the use of derivative instruments.

The Company has entered into derivative instruments to manage exposures that arise from business activities that result in the payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative instruments, described below, are used to manage differences in the amount, timing and duration of the Company's known or expected cash payments principally related to certain of the Company's borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objective in using interest rate derivatives is to manage its exposure to interest rate movements and add stability to interest expense. To accomplish this objective, the Company uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges

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involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreement without exchange of the underlying notional amount.

The Company utilizes three interest rate swaps to hedge the variable cash flows associated with variable-rate debt. The effective portion of changes in the fair value of derivatives that are designated and that qualify as cash flow hedges is recorded in Accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the years ended December 31, 2011 and 2010, the Company recorded hedge ineffectiveness of \$314 loss and \$232 loss, respectively, as a result of the off-market nature and notional mismatches related to its swaps. The Company has reclassified all of the previously deferred accumulated other comprehensive income into earnings as of December 31, 2011. During the year ended December 31, 2009, the Company recorded no hedge ineffectiveness.

Amounts reported in Accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. Over the next year, the Company estimates that an additional \$990 will be reclassified as an increase to interest expense. During the year ended December 31, 2010, the Company accelerated \$117 loss from accumulated other comprehensive income into earnings as a result of the hedged forecasted transactions becoming probable not to occur. There were no such accelerations during the years ended December 31, 2011 and 2009.

As of December 31, 2011 and 2010, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivatives	Number of Instruments		Notional	
	2011	2010	2011	2010
Interest Rate Swap	3	2	\$ 76,269	\$ 67,504

The table below presents the estimated fair value of the Company's derivative financial instruments as well as their classification on the consolidated balance sheets as of December 31, 2011 and 2010. The valuation techniques utilized are described in Note 16 to the consolidated financial statements.

	Liability Derivatives			
	December 31, 2011		December 31, 2010	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as cash flow hedges:				
Interest rate swaps	Other Liabilities	\$ 2,891	Other Liabilities	\$ 2,967

The table below presents the effect of the Company's derivative financial instruments in the consolidated statements of operations and other comprehensive loss for the years ended December 31, 2011 and 2010.

Derivatives in Cash Flow Hedging Relationships	Amount of Loss Recognized in OCI on Derivative		Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)		Location of Loss Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Loss Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing and Missed Forecasted Transactions)	
	(Effective Portion)			(Effective Portion)				
	2011	2010		2011	2010		2011	2010
Interest rate swaps	\$ (1,346)	\$ (1,722)	Interest Expense	\$ (2,557)	\$ (2,970)	Other Expense	\$ (314)	\$ (350)

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Credit-risk-related Contingent Features

Derivative financial investments expose the Company to credit risk in the event of non-performance by the counterparties under the terms of the interest rate hedge agreements. The Company believes it minimizes credit risk by transacting with major creditworthy financial institutions. As part of the Company's ongoing control procedures, it monitors the credit ratings of counterparties and the exposure to any single entity, which minimizes credit risk concentration. The Company believes the potential impact of realized losses from counterparty non-performance is not significant.

The Company has agreements with each of its derivative counterparties that contain a provision whereby if the Company defaults on the related indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its corresponding derivative obligation. The Company was not in default with respect to these agreements at December 31, 2011.

The Company's agreements with each of its derivative counterparties also contain a provision whereby if the Company consolidates with, merges with or into, or transfers all or substantially all of its assets to another entity and the creditworthiness of the resulting, surviving or transferee entity is materially weaker than the Company's, the counterparty has the right to terminate the derivative obligations. As of December 31, 2011, the termination value of derivatives in a liability position, which includes accrued interest of \$153 but excludes any adjustment for nonperformance risk, which the Company has deemed not significant, was \$3,151. As of December 31, 2011, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions at December 31, 2011, it could have been required to settle its obligations under the agreements at their termination value of \$3,151.

Margin Payable

The Company purchases a portion of its securities through a margin account. As of December 31, 2011 and 2010, the Company had recorded a payable of \$7,541 and \$10,017, respectively, for securities purchased on margin. This debt bears a variable interest rate of the London Interbank Offered Rate, or LIBOR, plus 35 basis points. At December 31, 2011, this rate was equal to 0.62%. Interest expense on this debt in the amount of \$51, \$96 and \$252 was recognized within Interest expense in the accompanying consolidated statements of operations and other comprehensive loss for the years ended December 31, 2011, 2010 and 2009, respectively. This debt is due upon demand. The value of the Company's marketable securities serves as collateral for this debt. During the years ended December 31, 2011 and 2010, the Company did not borrow on its margin account, but paid down \$2,476 and \$12,843, respectively.

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The following table shows the scheduled maturities of the Company's mortgages payable, notes payable, margin payable and secured credit facility (as described in Note 10) as of December 31, 2011, for each of the next five years and thereafter and does not reflect the impact of any 2012 debt activity:

	2012	2013	2014	2015	2016	Thereafter	Total	Fair Value
Maturing debt ^(a) :								
Fixed rate debt:								
Mortgages payable ^(b)	\$ 450,388	\$ 310,354	\$ 239,572	\$ 470,754	\$ 46,706	\$ 1,173,549	\$ 2,691,323	\$ 2,871,601
Notes payable		13,900				125,000	138,900	150,836
Total fixed rate debt	\$ 450,388	\$ 324,254	\$ 239,572	\$ 470,754	\$ 46,706	\$ 1,298,549	\$ 2,830,223	\$ 3,022,437
Variable rate debt:								
Mortgages payable	\$ 69,448	\$	\$ 10,151	\$	\$	\$	\$ 79,599	\$ 79,599
Secured credit facility		555,000					555,000	555,000
Margin payable	7,541						7,541	7,541
Total variable rate debt	76,989	555,000	10,151				642,140	642,140
Total maturing debt ^(c)	\$ 527,377	\$ 879,254	\$ 249,723	\$ 470,754	\$ 46,706	\$ 1,298,549	\$ 3,472,363	\$ 3,664,577
Weighted average interest rate on debt:								
Fixed rate debt	5.61%	5.55%	7.12%	5.77%	6.15%	7.23%	6.51%	
Variable rate debt	3.62%	3.81%	2.56%				3.77%	
Total	5.32%	4.45%	6.94%	5.77%	6.15%	7.23%	6.00%	

(a) The debt maturity table does not include any premium or discount, of which \$10,858 and \$(2,003), net of accumulated amortization, respectively, were outstanding as of December 31, 2011.

(b) Includes \$76,269 of variable rate debt that was swapped to a fixed rate.

(c) As of December 31, 2011, the weighted average years to maturity of consolidated indebtedness was 5.4 years.

The maturity table excludes other financings and the co-venture obligation as described in Notes 1 and 11. The maturity table also excludes accelerated principal payments that may be required as a result of covenants or conditions included in certain loan agreements due to the uncertainty in the timing and amount of these payments. In these cases, the total outstanding indebtedness is included in the year corresponding to the loan maturity date or, if the mortgage payable is amortizing, the payments are presented in accordance with the loan's original amortization schedule. As of December 31, 2011, the Company was making accelerated principal payments on three mortgages payable with a combined outstanding principal balance of \$102,206, which are reflected in the year corresponding to the loan maturity date. During the year ended December 31, 2011, the Company made accelerated principal payments of \$11,652 with respect to these mortgages payable. The maturity table includes \$51,769 of mortgages payable that had matured as of December 31, 2011 in the 2012 column. The Company plans on addressing its 2012 mortgages payable maturities by using proceeds from an amended credit facility, refinancing the mortgages payable, securing new mortgages collateralized by individual properties or by using proceeds from asset sales.

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(10) Secured Credit Facility

On February 4, 2011, the Company amended and restated its secured credit agreement with KeyBank National Association and other financial institutions. The amended and restated credit facility consists of a \$435,000 senior secured revolving line of credit and a \$150,000 secured term loan. The Company has the ability to increase available borrowings up to \$500,000 under the revolving line of credit in certain circumstances. The amended and restated credit agreement matures on February 3, 2013 and the Company has the option to extend the maturity for one year. Prior to the February 2011 amendment and restatement, the Company's credit facility consisted of a \$200,000 secured revolving line of credit with an interest rate equal to LIBOR (3% floor) plus 3.50% and an original maturity date of October 14, 2010 that was extended to October 14, 2011.

As of December 31, 2011, the terms of the agreement stipulate:

monthly interest-only payments on the outstanding balance at a rate of LIBOR plus a margin of 2.75% to 4.00%, depending on leverage levels;

quarterly unused fees ranging from 0.40% to 0.50% per annum, depending on the undrawn amount;

the requirement for a comprehensive collateral pool (secured by mortgage interests in each asset) subject to certain covenants and minimum requirements related to the value and number of properties included in the collateral pool;

a maximum advance rate on the appraised value of the collateral pool of 65% (reduced to 60% of the collateral pool value after the issuance of the Company's financial statements for the quarter ending March 31, 2012). After the date of this report, the value of the collateral pool will be determined by capitalizing the collateral pool adjusted net operating income at 8%; and

\$20,000 of recourse cross-default permissions and \$100,000 of non-recourse cross-default permissions, subject to certain carve-outs and allowances for maturity defaults under non-recourse indebtedness for up to 90 days subject to extension at the discretion of the lenders.

This full recourse credit agreement requires compliance with certain covenants including: a leverage ratio, fixed charge coverage, debt service coverage, a minimum net worth requirement, a distribution limitation and investment restrictions, as well as limitations on the Company's ability to incur recourse indebtedness. It also contains customary default provisions including the failure to timely pay debt service payable thereunder, the failure to comply with the Company's financial and operating covenants and the failure to pay when the consolidated indebtedness becomes due. In the event the lenders declare a default, as defined in the credit agreement, this could result in an acceleration of all outstanding borrowings on the line of credit. As of December 31, 2011, management believes the Company was in compliance with all of the covenants and default provisions under the credit agreement and the Company's current business plan, which is based on management's expectations of operating performance and planned capital recycling initiatives, indicates that it will be able to operate in compliance with these covenants and provisions in 2012 and beyond. Additionally, management is in the process of negotiating an amended credit facility, which will provide the Company with additional operating and financial flexibility. As of December 31, 2011, the interest rate of the revolving line of credit and secured term loan was 3.81%. Upon closing the amended credit agreement, the Company borrowed the full amount of the term loan. As of December 31, 2011, the total availability under the revolving line of credit was \$435,000, of which the Company had borrowed \$405,000. As of December 31, 2010, the outstanding balance on the line of credit was \$154,347.

(11) Co-venture Obligation

As discussed in Note 1, on December 1, 2009, the Company transferred a 23% noncontrolling interest in IW JV to a related party, Inland Equity, in exchange for \$50,000.

The Company is the controlling member in IW JV. The organizational documents of IW JV contain provisions that require the entity to be liquidated through the sale of its assets upon reaching a future date as

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specified in the organizational documents or through a call arrangement. As controlling member, the Company has an obligation to cause these property owning entities to distribute proceeds from liquidation to the noncontrolling interest partner only if the net proceeds received by each of the entities from the sale of assets warrant a distribution based on the agreements. In addition, at any time after 90 days from the date of Inland Equity's contribution, the Company has the option to call Inland Equity's interest in IW JV for an amount which is the greater of either: (a) fair market value of Inland Equity's interest or (b) \$50,000, plus an additional distribution of \$5,000 and any unpaid preferred return or promote. Since the outside ownership interest in IW JV is subject to a call arrangement, the transaction does not qualify as a sale and is accounted for as a financing arrangement. Accordingly, IW JV is treated as a 100% owned subsidiary by the Company with the amount due to Inland Equity reflected as a financing in Co-venture obligation and Accounts payable and accrued expenses in the accompanying consolidated balance sheets.

If Inland Equity retains an ownership interest in IW JV through the liquidation of the joint venture, Inland Equity may be entitled to receive an additional distribution of \$5,000, depending on the availability of proceeds at the time of liquidation.

Pursuant to the terms of the IW JV agreement, Inland Equity earns a preferred return of 6% annually, paid monthly and cumulative on any unpaid balance. Inland Equity earns an additional 5% annually, set aside monthly and paid quarterly, if the portfolio net income is above a target amount as specified in the agreement. Expense is recorded on such liability in the amount equal to the preferred return, incentive compensation and other compensation due to Inland Equity as provided by the LLC agreement and is included in Co-venture obligation expense in the accompanying consolidated statements of operations and other comprehensive loss.

The Company anticipates exercising its call option prior to reaching the liquidation date. As a result, the Company is accruing the estimated additional amount it would be required to pay upon exercise of the call option over the anticipated exercise period of three years and, as such, has cumulatively accrued \$3,472 through December 31, 2011.

(12) Investment in Unconsolidated Joint Ventures

Investment Summary

The following table summarizes the Company's investments in unconsolidated joint ventures:

Joint Venture	Date of Investment	Date of Redemption	Ownership Interest		Investment at	
			December 31, 2011	2010	December 31, 2011	2010
MS Inland Fund, LLC ^(a)	04/27/2007	N/A	20.0%	20.0%	\$ 9,246	\$ 9,884
Hampton Retail Colorado, L.L.C. ^(b)	08/31/2007	N/A	95.9%	95.8%	1,124	4,059
RC Inland L.P. ^(c)	09/30/2010	N/A	20.0%	20.0%	53,800	12,292
Oak Property and Casualty LLC ^(d)	10/01/2006	N/A	25.0%	25.0%	8,759	7,230
Britomart ^(e)	12/15/2011	N/A	15.0%	N/A	8,239	
					\$ 81,168	\$ 33,465

- (a) The MS Inland Fund, LLC (MS Inland) joint venture was formed with a large state pension fund; the Company is the managing member of the venture and earns fees for providing property management, acquisition and leasing services.
- (b) The ownership percentage in Hampton Retail Colorado, L.L.C., or Hampton, is based upon the Company's pro rata capital contributions to date. Subject to the maximum capital contributions specified within the organization documents, the Company's ownership percentage could increase to 96.3%.
- (c) The joint venture was formed with a wholly-owned subsidiary of RioCan Real Estate Investment Trust (RioCan), a REIT based in Canada. The initial investment in 2010 included eight grocery and necessity-based-anchored shopping centers located in Texas. RioCan contributed cash for an 80% interest in the

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venture and the Company contributed a 20% interest in the properties. For properties contributed to the venture by the Company, the joint venture has acquired an 80% interest from the Company in exchange for cash. Such transactions were accounted for as partial sales by the Company. Certain of the properties contained earnout provisions which, when met, resulted or could result in additional sales proceeds to the Company. The Company is the general partner of the joint venture and earns fees for providing property management, asset management and other customary services.

- (d) Effective December 1, 2010, it was determined that the Company was no longer the primary beneficiary of Oak Property and Casualty LLC (Oak Property and Casualty), or the Captive. Since such date, Oak Property & Casualty has been accounted for as an equity method investment by the Company. Refer to Note 1 for further information.
- (e) In a non-cash transaction on December 15, 2011, the Company, through a consolidated limited liability company joint venture, contributed an \$8,239 note receivable to two joint ventures under common control (collectively referred to as Britomart) in return for a 15% noncontrolling ownership interest. The Company and its consolidated joint venture do not have any management responsibilities with respect to Britomart, which as of December 31, 2011 owns one vacant land parcel and one single-tenant office building in Auckland, New Zealand. Pursuant to the terms and conditions of the organizational documents of the Company's consolidated joint venture, the noncontrolling interest holder's ownership interest was redeemed in full effective February 15, 2012. Such redemption was settled on February 15, 2012 by transferring the Company's entire interest in Britomart to the partner in the Company's consolidated joint venture. The Company has the ability to exercise significant influence, but does not have the financial or operating control over these investments, and as a result the Company accounts for these investments pursuant to the equity method of accounting. Under the equity method of accounting, the net equity investment of the Company is reflected in the accompanying consolidated balance sheets and the accompanying consolidated statements of operations and other comprehensive loss includes the Company's share of net income or loss from each unconsolidated joint venture. Distributions from these investments that are related to income from operations are included as operating activities and distributions that are related to capital transactions are included in investing activities in the Company's consolidated statements of cash flows.

Profits, Losses and Capital Activity

The following table summarizes the Company's share of net income (loss) as well as net cash distribution from (contributions to) each unconsolidated joint venture for the years ended December 31, 2011, 2010 and 2009:

Joint Venture	The Company's Share of Net Income (Loss)			Net Cash Distributions from/ (Contributions to) Joint Ventures			Fees Earned by the Company		
	For Years Ended December 31, 2011	2010	2009	For Years Ended December 31, 2011	2010	2009	For Years Ended December 31, 2011	2010	2009
MS Inland	\$ (463)	\$ 1,339	\$ 1,699	\$ 497	\$ 68,838	\$ 4,209	\$ 862	\$ 1,155	\$ 1,193
Hampton ^(a)	(3,649)	819	(13,282)	(756)	(1,384)	(2,912)	3	91	112
RioCan	(1,412)	(365)		(32,344)	(82)		954	125	
Oak Property and Casualty ^(b)	(1,117)	(45)		(2,646)					
Britomart ^(c)									
	\$ (6,641)	\$ 1,748	\$ (11,583)	\$ (35,249)	\$ 67,372	\$ 1,297	\$ 1,819	\$ 1,371	\$ 1,305

- (a) During the years ended December 31, 2011 and December 31 2009, Hampton determined that the carrying value of certain of its assets was not recoverable and, accordingly, recorded impairment charges in the amounts of \$4,128, of which the Company's share was \$3,956, and \$9,411, of which the Company's share was \$9,062, respectively. There were no impairment charges recorded during the year ended December 31, 2010. The joint ventures' estimates of fair value relating to these impairment assessments were based upon estimated contract prices.

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- (b) The deconsolidation of Oak Property and Casualty in December 2010 and concurrent commencement of equity method accounting was treated as a non-cash contribution.
- (c) As discussed above, the Company's contribution to Britomart on December 15, 2011, was a non-cash transaction. In addition to the Company's share of net income (loss) for each unconsolidated joint venture, amortization of basis differences resulting from the Company's previous contributions of investment properties to its unconsolidated joint ventures is recorded within Equity in (loss) income of unconsolidated joint ventures, net in the consolidated statements of operations and other comprehensive loss. Such basis differences resulted from the differences between the historical cost net book values and fair values of the contributed properties and are amortized over the depreciable lives of the joint ventures' property assets. The Company recorded amortization of \$204, \$277 and \$284 during the years ended December 31, 2011, 2010 and 2009, respectively.

Property Acquisitions and Dispositions

The following table summarizes the acquisition activity during 2011 for the Company's unconsolidated joint ventures:

Joint Venture	Date	Square Footage	Property Type	Location	Purchase Price	Pro Rata Contribution ^(a)
RioCan	December 2, 2011	465,400	Multi-tenant retail	San Antonio, TX	\$ 92,202	\$ 18,336
RioCan	October 11, 2011	486,900	Multi-tenant retail	Cedar Park, TX	97,605	8,707
RioCan	July 1, 2011	107,600	Multi-tenant retail	Houston, TX	35,000	3,201
RioCan	May 20, 2011	124,900	Multi-tenant retail	Temple, TX	21,239	1,929
		1,184,800			\$ 246,046	\$ 32,173

- (a) Amount represents the Company's contribution of its proportionate share of the acquisition price net of customary prorations and mortgage proceeds, if applicable.

In addition, on August 22, 2011, the Company closed on the partial sale of a property to the RioCan joint venture with terms substantially consistent with the eight 2010 partial sales. The sales price of the property, a 654,200 square foot multi-tenant retail property in Austin, Texas, was \$110,799, which resulted in a net loss of \$3,047, net proceeds of \$39,935 and the venture assuming the \$60,000 of related debt. Such transaction did not qualify as a discontinued operation within the Company's consolidated statements of operations and other comprehensive loss as a result of the Company's 20% ownership interest in the RioCan joint venture.

During the year ended December 31, 2011, Hampton separately sold two investment properties consisting of an aggregate 93,100 square feet. The combined sales price, repayment of debt and loss on sale were \$2,300, \$2,300 and \$29, respectively. As of December 31, 2011, there were four properties remaining in the Hampton joint venture. All other properties from the original portfolio of nine single-user retail properties and eight leasehold assets have been disposed of primarily through sales and assignment.

The Company's investments in unconsolidated joint ventures are reviewed for potential impairment, in addition to impairment evaluations of the individual assets underlying these investments, whenever events or changes in circumstances warrant such an evaluation. To determine whether impairment is other-than-temporary, the Company considers whether it has the ability and intent to hold the investment until the carrying value is fully recovered. As a result, the carrying value of its investment in the unconsolidated joint ventures was determined to be fully recoverable as of December 31, 2011 and 2010.

(13) Earnings per Share

In connection with the April 12, 2011 issuance of restricted common stock to certain executive officers, for each reporting period after the grant date, earnings (loss) per common share attributable to Company

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shareholders (EPS) is calculated pursuant to the two-class method which specifies that all outstanding unvested share-based payment awards that contain nonforfeitable rights to distributions are considered participating securities and should be included in the computation of EPS.

The Company presents both basic and diluted EPS amounts. Basic EPS is calculated by dividing net distributed and undistributed earnings attributable to common shareholders, excluding participating securities, by the weighted average number of common shares outstanding. As of December 31, 2011, distributions totaling \$4 had been paid on the unvested shares. Diluted EPS includes the components of basic EPS and, in addition, reflects the impact of other potentially dilutive shares outstanding during the period using the two-class method.

Shares of the Company's common stock related to the restricted common stock issuance are not included in the denominator of basic EPS until contingencies are resolved and the shares are released.

The following is a reconciliation between weighted average shares used in the basic and diluted EPS calculations, excluding amounts attributable to noncontrolling interests:

	Years Ended December 31,		
	2011	2010	2009
Numerator:			
Net loss from continuing operations	\$ (103,131)	\$ (101,820)	\$ (107,530)
Gain on sales of investment properties, net	5,906		
(Income) loss from continuing operations attributable to noncontrolling interests	(31)	(1,136)	3,074
Loss from continuing operations attributable to Company shareholders	(97,256)	(102,956)	(104,456)
Income (loss) from discontinued operations	24,647	7,113	(7,879)
Net loss attributable to Company shareholders	(72,609)	(95,843)	(112,335)
Distributions paid on unvested restricted shares	(4)		
Net loss attributable to Company shareholders excluding amounts attributable to unvested restricted shares	\$ (72,613)	\$ (95,843)	\$ (112,335)
Denominator:			
Denominator for loss per common share-basic:			
Weighted average number of common shares outstanding	192,456 ^(a)	193,497	192,124
Effect of dilutive securities:			
Stock options	(b)	(b)	(b)
Equity awards	(c)		
Denominator for loss per common share-diluted:			
Weighted average number of common and common equivalent shares outstanding	192,456	193,497	192,124

- (a) Excluded from this weighted average amount are 14 shares of restricted common stock, which equate to 10 shares on a weighted average basis for the year ended December 31, 2011. These shares will continue to be excluded from the computation of basic EPS until contingencies are resolved and the shares are released.
- (b) Outstanding options to purchase shares of common stock, the effect of which would be anti-dilutive, were 70, 56 and 42 shares as of December 31, 2011, 2010 and 2009, respectively, at a weighted average exercise price of \$20.83, \$21.70 and \$23.25, respectively. These shares were not included in the computation of diluted EPS because a loss was reported for the respective periods.
- (c) Potential common shares issuable from the vesting of restricted share awards are anti-dilutive in periods in which a loss is reported and therefore excluded from the computation of diluted EPS as the Company had a loss from continuing operations for the year ended December 31, 2011.

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The Company has elected to be taxed as a REIT under the Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to annually distribute at least 90% of its REIT taxable income to the Company's shareholders, determined without regard to the deduction for dividends paid and excluding net capital gains. The Company intends to continue to adhere to these requirements and to maintain its REIT status. As a REIT, the Company is entitled to a deduction for some or all of the distributions it pays to shareholders. Accordingly, the Company generally will not be subject to U.S. federal income taxes on the taxable income distributed to its shareholders. The Company is generally subject to U.S. federal income taxes on any taxable income that is not currently distributed to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will be subject to U.S. federal income taxes and may not be able to qualify as a REIT until the fifth subsequent taxable year.

REIT qualification reduces, but does not eliminate, the amount of state and local taxes the Company pays. In addition, the Company's consolidated financial statements include the operations of one wholly-owned subsidiary that has elected to be treated as a TRS that is not entitled to a dividends paid deduction and is subject to U.S. federal, state and local income taxes. The Company recorded no income tax expense related to the TRS for the years ended December 31, 2011, 2010 and 2009, as a result of losses incurred during these periods.

As a REIT, the Company may also be subject to certain U.S. federal excise taxes if it engages in certain types of transactions. Deferred income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which these temporary differences are expected to reverse. Deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including future reversal of existing taxable temporary differences, future projected taxable income and tax planning strategies. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company has considered various factors, including future reversals of existing taxable temporary differences, projected future taxable income and tax-planning strategies in making this assessment. The Company believes any deferred tax asset will not be realized in future periods and therefore, has recorded a valuation allowance for the entire balance, resulting in no effect on the consolidated financial statements.

The Company's deferred tax assets and liabilities as of December 31, 2011 and 2010 were as follows:

	2011	2010
Deferred tax assets:		
Impairment of assets	\$ 4,886	\$ 2,874
Capital loss carryforward	2,008	1,975
Net operating loss carryforward	3,937	4,047
Other	92	202
Gross deferred tax assets	10,923	9,098
Less: valuation allowance	(8,900)	(6,823)
Total deferred tax assets	2,023	2,275
Deferred tax liabilities		
Other	(2,023)	(2,275)
Net deferred tax assets	\$	\$

The Company's deferred tax assets and liabilities result from the activities of the TRS. As of December 31, 2011, the TRS had a federal net operating loss (NOL) of \$10,570, which will be available to offset future taxable

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income. The TRS also had net capital losses (NCL) in excess of capital gains of \$5,392 as of December 31, 2011, which can be carried forward to offset future capital gains. If not used, the NOL and NCL will begin to expire in 2027 and 2013, respectively.

Differences between net loss per the consolidated statements of operations and other comprehensive loss and the Company's taxable income (loss) primarily relate to impairment charges recorded on investment properties, other-than-temporary impairment on investments in marketable securities, the timing of revenue recognition, and investment property depreciation and amortization.

The following table reconciles the Company's net loss to taxable income before the dividends paid deduction for the years ended December 31, 2011, 2010 and 2009:

	2011	2010	2009
Net loss attributable to Company shareholders	\$ (72,609)	\$ (95,843)	\$ (112,335)
Book/tax differences	95,869	68,240	157,492
Adjust for negative taxable income		27,603	
Taxable income subject to 90% dividend requirement	\$ 23,260	\$	\$ 45,157

The Company's dividends paid deduction is summarized below:

	2011	2010	2009
Cash distributions paid	\$ 116,050	\$ 83,385	\$ 84,953
Less: non-dividend distributions	(92,782)	(83,385)	(39,293)
Total dividends paid deduction attributable to earnings and profits	\$ 23,268	\$	\$ 45,660

A summary of the tax characterization of the distributions paid per share for the years ended December 31, 2011, 2010 and 2009 follows:

	2011	2010	2009
Ordinary income	\$ 0.12	\$	\$ 0.24
Non-dividend distributions	0.48	0.43	0.20
	\$ 0.60	\$ 0.43	\$ 0.44

The Company records a benefit for uncertain income tax positions if the result of a tax position meets a more likely than not recognition threshold. As a result of this provision, liabilities of \$237 are recorded as of December 31, 2011 and 2010. The Company expects no significant increases or decreases in unrecognized tax benefits due to changes in tax positions within one year of December 31, 2011. Returns for the calendar years 2008 through 2011 remain subject to examination by federal and various state tax jurisdictions.

(15) Provision for Impairment of Investment Properties

The Company identified certain indicators of impairment for certain of its properties, such as a low occupancy rate, difficulty in leasing space and related cost of re-leasing, reduced anticipated holding periods and financially troubled tenants. The Company performed cash flow analyses during the year ended December 31, 2011 and determined that the carrying value of four of these properties exceeded the projected undiscounted cash flows based upon the estimated holding periods for the assets. Therefore, the Company has recorded impairment charges related to these properties consisting of the excess carrying value of the assets over the estimated fair value within the accompanying consolidated statements of operations and other comprehensive loss.

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During the year ended December 31, 2011, the Company recorded investment property impairment charges as summarized below:

Location	Property Type	Impairment Date	Approximate Square Footage	Provision for Impairment of Investment Properties
Henderson, Nevada	Multi-tenant retail	December 31, 2011	236,000	\$ 7,650
Winston-Salem, North Carolina	Single-user office	March 31, 2011	501,000	30,373
				38,023
<i>Discontinued Operations:</i>				
Thousand Oaks, California		December 22, 2011 ^(a)	63,000	636
Mesa, Arizona	Multi-tenant retail	Various ^(b)	195,000	1,322
				1,958
Total				\$39,981
Estimated fair value of impaired properties				\$ 37,466

(a) An impairment charge of \$2,700 was previously recorded during the year ended December 31, 2009.

(b) During 2011, this asset was impaired upon execution of the purchase and sale agreement based upon the negotiated purchase price; such impairment charge was revised upon closing of the disposition. Impairment charges for this asset of \$3,400 and \$20,400 were previously recorded during the years ended December 31, 2010 and December 31, 2009, respectively.

During the year ended December 31, 2010, the Company recorded investment property impairment charges as summarized below:

Location	Property Type	Impairment Date	Approximate Square Footage	Provision for Impairment of Investment Properties
Coppell, Texas ^(a)	Multi-tenant retail	September 30, 2010	91,000	\$1,851
Southlake, Texas ^(a)	Multi-tenant retail	September 30, 2010	96,000	1,322
Sugarland, Texas ^(a)	Multi-tenant retail	June 30, 2010	61,000	1,576
University Heights, Ohio	Multi-tenant retail	June 30, 2010	287,000	6,281
				11,030
<i>Discontinued Operations:</i>				
Mesa, Arizona	Multi-tenant retail	December 31, 2010	195,000	\$ 3,400
Richmond, Virginia	Single-user retail	June 30, 2010	383,000	7,806
Hinsdale, Illinois	Single-user retail	May 28, 2010	49,000	821
				12,027
Total				\$ 23,057

Estimated fair value of impaired properties \$ 72,696

- (a) Property acquired by the RioCan joint venture. Impairment based on estimated net realizable value inclusive of projected fair value of contingent earnout proceeds.

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During the year ended December 31, 2009, the Company recorded investment property impairment charges as summarized below:

Location	Property Type	Impairment Date	Approximate Square Footage	Provision for Impairment of Investment Properties
Nashville, Tennessee	Multi-tenant retail	December 31, 2009	293,000	\$ 6,700
Vacaville, California	Single-user retail	September 30, 2009	78,000	4,000
Largo, Maryland	Multi-tenant retail	June 30, 2009	482,000	13,100
Hanford, California	Single-user retail	June 30, 2009	78,000	3,800
				27,600
<i>Discontinued Operations:</i>				
Douglasville, Georgia	Single-user retail	December 31, 2009	110,000	\$ 3,200
Thousand Oaks, California	Multi-tenant retail	September 30, 2009	63,000	2,700
Kansas City, Missouri	Single-user retail	September 30, 2009	88,000	500
Wilmington, North Carolina	Single-user retail	September 30, 2009	57,000	800
Mountain Brook, Alabama	Single-user retail	September 30, 2009	44,000	1,100
Cupertino, California	Single-user office	September 30, 2009	100,000	8,400
Mesa, Arizona	Multi-tenant retail	March 31, 2009	195,000	20,400
				37,100
Total				\$ 64,700

Estimated fair value of impaired properties \$ 208,335

The Company can provide no assurance that material impairment charges with respect to the Company's investment properties will not occur in future periods.

(16) Fair Value Measurements

The following table presents the carrying value and estimated fair value of the Company's financial instruments at December 31, 2011 and 2010. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date.

	December 31, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Investment in marketable securities, net	\$ 30,385	\$ 30,385	\$ 34,230	\$ 34,230
Notes receivable	\$	\$	\$ 8,290	\$ 8,245
Financial liabilities:				
Mortgages and notes payable	\$ 2,926,218	\$ 3,109,577	\$ 3,602,890	\$ 3,628,042
Secured credit facility	\$ 555,000	\$ 555,000	\$ 154,347	\$ 154,347
Other financings	\$ 8,477	\$ 8,477	\$ 8,477	\$ 8,477
Co-venture obligation	\$ 52,431	\$ 55,000	\$ 51,264	\$ 55,000
Derivative liability	\$ 2,891	\$ 2,891	\$ 2,967	\$ 2,967

The carrying values shown in the table are included in the consolidated balance sheets under the indicated captions, except for notes receivable and derivative liability, which are included in Accounts and notes receivable and Other liabilities, respectively.

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The fair value of the financial instruments shown in the above table as of December 31, 2011 and 2010 represent the Company's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in a transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market

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activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Company based on the best information available in those circumstances.

GAAP specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The fair value hierarchy is summarized as follows:

Level 1 Inputs Unadjusted quoted market prices for identical assets and liabilities in an active market which the Company has the ability to access.

Level 2 Inputs Inputs, other than quoted prices in active markets, which are observable either directly or indirectly.

Level 3 Inputs Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

The guidance requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The following table presents the Company's financial instruments, which are measured at fair value on a recurring basis, by the level in the fair value hierarchy within which those measurements fall as of December 31, 2011 and 2010. Methods and assumptions used to estimate the fair value of these instruments are described after the table.

	Level 1	Level 2	Level 3	Total
<u>December 31, 2011</u>				
Investment in marketable securities	\$ 30,385			\$ 30,385
Derivative liability, net	\$	2,891		\$ 2,891
<u>December 31, 2010</u>				
Investment in marketable securities	\$ 34,230			\$ 34,230
Derivative liability, net	\$	2,967		\$ 2,967

Investment in marketable securities, net: Marketable securities classified as available-for-sale are measured using quoted market prices at the reporting date multiplied by the quantity held.

Derivative liability: The fair value of the derivative liability is determined using a discounted cash flow analysis on the expected future cash flows of each derivative. This analysis utilizes observable market data including forward yield curves and implied volatilities to determine the market's expectation of the future cash flows of the variable component. The fixed and variable components of the derivative are then discounted using calculated discount factors developed based on the LIBOR swap rate and are netted to arrive at a single valuation for the period. The Company also incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of December 31, 2011 and 2010, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation. As a result, the Company has determined that its derivative valuations in their entirety are classified within Level 2 of the fair value hierarchy.

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In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered any applicable credit enhancements. The Company's derivative instruments are further described in Note 9.

Non-Recurring Fair Value Measurements

During the year ended December 31, 2011, the Company recorded asset impairment charges of \$39,981 related to two of its consolidated operating properties and two consolidated properties which were sold during 2011. The combined estimated fair value of the properties which were impaired during the year ended December 31, 2011 was \$37,466. During the year ended December 31, 2010, the Company recorded asset impairment charges of \$23,057 related to one of its consolidated operating properties, three consolidated operating properties that were partially sold to the RioCan joint venture and three consolidated operating properties that were sold to unaffiliated third parties. The combined estimated fair value of these properties was \$72,696. During the year ended December 31, 2009, the Company recorded asset impairment charges of \$64,700 related to four of its consolidated operating properties and seven consolidated operating properties that were sold. The combined estimated fair value of these properties was \$208,335.

The Company's estimated fair value, measured on a non-recurring basis, relating to these impairment assessments was based upon discounted cash flow models that included all projected cash inflows and outflows over a specific holding period, or the negotiated sales price, if applicable. Such projected cash flows are comprised of unobservable inputs which include contractual rental revenues and forecasted rental revenues and expenses based upon market conditions and expectations for growth. Capitalization rates and discount rates utilized in these models were based upon observable rates that the Company believed to be within a reasonable range of current market rates for each property analyzed. Based upon these inputs, the Company determined that its valuations of properties using a discounted cash flow model was classified within Level 3 of the fair value hierarchy. For the Company's properties for which the estimated fair value was based on estimated sales prices, the Company determined that its valuation was classified within Level 2 of the fair value hierarchy.

Fair Value Disclosures

The following table presents the Company's financial assets and liabilities, which are measured at fair value for disclosure purposes, by the level in the fair value hierarchy within which they fall as of December 31, 2011 and 2010. Methods and assumptions used to estimate the fair value of these instruments are described after the table.

	Level 1	Level 2	Level 3	Total
<u>December 31, 2011</u>				
Mortgages and notes payable	\$		3,109,577	\$ 3,109,577
Secured credit facility	\$		555,000	\$ 555,000
Other financings	\$		8,477	\$ 8,477
Co-venture obligation	\$		55,000	\$ 55,000
<u>December 31, 2010</u>				
Notes receivable	\$		8,245	\$ 8,245
Mortgages and notes payable	\$		3,628,042	\$ 3,628,042
Secured credit facility	\$		154,347	\$ 154,347
Other financings	\$		8,477	\$ 8,477
Co-venture obligation	\$		55,000	\$ 55,000

Notes receivable: The Company estimates the fair value of its notes receivable by discounting the future cash flows of each instrument at rates that approximate those offered by lending institutions for loans with similar terms to companies with comparable risk. The rates used are not directly observable in the marketplace and judgment is used in determining the appropriate rate based upon the specific terms of the individual notes receivable agreement.

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Mortgages and notes payable: The Company estimates the fair value of its mortgages and notes payable by discounting the future cash flows of each instrument at rates currently offered to the Company for similar debt instruments of comparable maturities by the Company's lenders. The rates used are not directly observable in the marketplace and judgment is used in determining the appropriate rate for each of the Company's individual mortgages and notes payable based upon the specific terms of the agreement, including the term to maturity, the quality and nature of the underlying property and its leverage ratio.

Secured credit facility: The carrying value of the Company's secured credit facility approximates fair value due to the periodic variable rate pricing and the loan pricing spreads based on the Company's leverage ratio.

Other financings: Other financings on the consolidated balance sheets represent the equity interest of the noncontrolling member in certain consolidated entities where the LLC or LP agreement contains put/call arrangements, which grant the right to the outside owners and the Company to require each LLC or LP to redeem the ownership interest in future periods for fixed amounts. The Company believes the fair value of other financings is that amount which is the fixed amount at which it would settle, which approximates its carrying value.

Co-venture obligation: The Company estimates the fair value of its co-venture obligation based on the amount at which it believes the obligation will settle and the timing of such payment. The fair value of the co-venture obligation includes the estimated additional amount the Company would be required to pay upon exercise of the call option. The carrying value of the co-venture obligation as of December 31, 2011 includes \$2,431 of cumulative co-venture obligation expense accretion related to the estimated additional distribution.

There were no transfers of assets or liabilities between the levels of the fair value hierarchy and there were no purchases, sales, issuances or settlements of Level 3 assets or liabilities during the year ended December 31, 2011.

(17) Commitments and Contingencies

The Company has acquired certain properties which have earnout components, meaning the Company did not pay for portions of these properties that were not rent producing at the time of acquisition. The Company is obligated, under these agreements, to pay for those portions when a tenant moves into its space and begins to pay rent. The earnout payments are based on a predetermined formula. Each earnout agreement has a time limit regarding the obligation to pay any additional monies. The time limits generally range from one to three years. If, at the end of the time period allowed, certain space has not been leased and occupied, the Company will generally not have any further payment obligation to the seller. As of December 31, 2011, the Company could pay as much as \$1,400 in the future pursuant to earnout agreements.

The Company previously entered into one construction loan agreement, which was impaired as of December 31, 2009 and written off on March 31, 2010, one secured installment note and one other installment note agreement. In a non-cash transaction on December 15, 2011, the Company, through a consolidated joint venture, contributed the secured installment note, with a receivable balance of \$8,239, to Britomart in return for a 15% noncontrolling ownership interest. Refer to Note 12 for more information. In conjunction with the one remaining installment agreement, the Company has funded its total commitment of \$300. The remaining loan requires monthly interest payments with the entire principal balance due at maturity. The combined receivable balance included in Accounts and notes receivable in the accompanying consolidated balance sheets at December 31, 2011 and 2010 was none and \$8,290, respectively, net of allowances of \$300.

Although the loans obtained by the Company are generally non-recourse, occasionally, when it is deemed necessary, the Company may guarantee all or a portion of the debt on a full-recourse basis. As of December 31, 2011, the Company has guaranteed \$555,000 and \$24,399 of its outstanding secured credit facility and mortgage loans, respectively, with maturity dates ranging from February 11, 2013 through September 30, 2016. As of

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December 31, 2011, the Company also guaranteed \$18,591 which represents a portion of the construction debt associated with certain of its wholly-owned and consolidated joint venture properties. The guarantees are released as certain leasing parameters are met. The following table summarizes these guarantees:

Location	Property	Construction Loan Balance at December 31, 2011	Maturity Date	Percentage Guaranteed by the Company	Guarantee Amount
Frisco, Texas	Parkway Towne Crossing	\$ 20,569	August 31, 2012	35%	\$ 7,199
Henderson, Nevada	Lake Mead Crossing	\$ 48,879	January 2, 2012 ^(a)	15%	\$ 7,332
Henderson, Nevada	Green Valley Crossing	\$ 10,151	November 2, 2014	40%	\$ 4,060
					\$ 18,591

(a) Subsequent to December 31, 2011, the maturity date was extended to March 27, 2012.

(18) Litigation

The Company previously disclosed in its Form 10-K, as amended, for the fiscal years ended December 31, 2009, 2008 and 2007, the lawsuit filed against the Company and nineteen other defendants by City of St. Clair Shores General Employees Retirement System and Madison Investment Trust in the United States District Court for the Northern District of Illinois (the Court). In the lawsuit, plaintiffs alleged that all the defendants violated the federal securities laws, and certain defendants breached fiduciary duties owed to the Company and its shareholders, in connection with the Company's merger with its business manager/advisor and property managers as reflected in its Proxy Statement dated September 12, 2007.

On July 14, 2010, the lawsuit was settled by the Company and the other defendants (the Settlement). On November 8, 2010, the Court granted final approval of the Settlement. Pursuant to the terms of the Settlement, 3,600 shares of common stock of the Company were transferred back to the Company from shares of common stock issued to the owners (the Owners) of certain entities that were acquired by the Company in its internalization transaction. This share transfer was recorded as a capital transaction in the fourth quarter of 2010. Pursuant to the Settlement, the Company paid the fees and expenses of counsel for class plaintiffs in the amount of \$10,000, as awarded by the Court on November 8, 2010. The Company was reimbursed \$1,994 by its insurance carrier for a portion of such fees and expenses. The Owners (who include Daniel L. Goodwin, who beneficially owned more than 5% of the stock of the Company as of December 31, 2010, and certain directors and executive officers of the Company) also agreed to provide a limited indemnification to certain defendants who are directors and an officer of the Company if any class members opted out of the Settlement and brought claims against them. Seven class members have opted out of the Settlement; to the Company's knowledge, none of these seven class members have filed claims against the Company or its directors and officers. However, the statute of limitations with respect to the amount of time the seven class members had to file a claim expired prior to December 31, 2011 without any of them filing a claim.

The Company is subject, from time to time, to various legal proceedings and claims that arise in the ordinary course of business. While the resolution of these matters cannot be predicted with certainty, management believes, based on currently available information, that the final outcome of such matters will not have a material adverse effect on the financial statements of the Company.

(19) Subsequent Events

Subsequent to December 31, 2011, the Company:

paid down \$25,000 on its senior secured revolving line of credit;

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closed on the sale of a 13,800 square foot single-user retail property for a sales price of \$5,800, which resulted in a net gain on sale of \$915 and net cash proceeds of \$5,702 after customary prorations at closing;

transferred the Company's entire interest in Britomart to the partner in a consolidated joint venture, resulting in the noncontrolling interest holder's ownership interest being fully redeemed;

paid a nominal amount to acquire the remaining 13.3% noncontrolling interest in the Lake Mead Crossing joint venture, increasing the Company's ownership interest in that venture from 86.7% to 100%; and

extended the maturity date of the Lake Mead Crossing construction loan from January 2, 2012 to March 27, 2012. Additionally, the terms and conditions of the executed extension permit the Company to pay off the outstanding principal balance for a reduced amount of \$45,000 on or prior to March 26, 2012.

(20) Quarterly Financial Information (unaudited)

	2011			
	Dec 31	Sep 30	Jun 30	Mar 31
Total revenue as previously reported	\$ 153,352	\$ 151,788	\$ 150,318	\$ 155,318
Reclassified to discontinued operations ^(a)		(679)	(1,523)	(2,891)
Adjusted total revenues	\$ 153,352	\$ 151,109	\$ 148,795	\$ 152,427
Net loss attributable to Company shareholders	\$ (13,837)	\$ (5,023)	\$ (13,724)	\$ (40,025)
Net loss per common share-basic and diluted	\$ (0.07)	\$ (0.03)	\$ (0.07)	\$ (0.21)
Weighted average number of common shares outstanding-basic and diluted	193,444	192,779	192,114	191,488
	2010			
	Dec 31	Sep 30	Jun 30	Mar 31
Total revenue as previously reported	\$ 155,277	\$ 162,030	\$ 160,586	\$ 164,755
Reclassified to discontinued operations ^(a)	(3,901)	(857)	(2,323)	(3,138)
Adjusted total revenues	\$ 151,376	\$ 161,173	\$ 158,263	\$ 161,617
Net loss attributable to Company shareholders	\$ (3,411)	\$ (25,527)	\$ (38,349)	\$ (28,556)
Net loss per common share-basic and diluted	\$ (0.02)	\$ (0.13)	\$ (0.20)	\$ (0.15)
Weighted average number of common shares outstanding-basic and diluted	193,645	193,946	193,436	192,961

(a) Represents revenue that has been reclassified to discontinued operations since previously reported amounts in Form 10-Q or 10-K.

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For the Years Ended December 31, 2011, 2010, and 2009

(in thousands)

	Balance at beginning of year	Charged to costs and expenses	Write-offs	Balance at end of year
Year ended December 31, 2011:				
Allowance for doubtful accounts	\$ 9,138	6,527	(7,434) ^(b)	\$ 8,231
Tax valuation allowance	\$ 6,823	2,077		\$ 8,900
Year ended December 31, 2010:				
Allowance for doubtful accounts	\$ 31,019 ^(a)	3,103	(24,984) ^(b)	\$ 9,138
Year ended December 31, 2009:				
Allowance for doubtful accounts	\$ 15,510 ^(c)	26,944 ^(d)	(11,440)	\$ 31,014 ^(d)

(a) Beginning balance includes \$5 for allowance for doubtful accounts related to an investment property held for sale in 2009.

(b) Includes \$16,909 related to a note receivable that was fully written off in 2010.

(c) Beginning balance excludes \$10 of allowance for doubtful accounts related to an investment property held for sale in 2009 and includes \$479 for allowance for doubtful accounts related to an investment property held for sale in 2008.

(d) Includes \$16,909 related to a note receivable that was fully reserved in 2009.

Table of Contents**RETAIL PROPERTIES OF AMERICA, INC.****Schedule III Real Estate and Accumulated Depreciation**

December 31, 2011

(in thousands)

Property Name	Encumbrance	Initial Cost ^(A)			Adjustments to Basis ^(C)	Gross amount carried at end of period			Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements	Improvements ^(D)		Land and Improvements	Buildings and Improvements ^(D)					
23rd Street Plaza	\$ 3,163	\$ 1,300	\$ 5,319	\$ 65	\$ 1,300	\$ 5,384	\$ 6,684	\$ 1,382	2003	12/04		
Panama City, FL												
Academy Sports	3,236	1,230	3,752		1,230	3,752	4,982	1,020	2004	07/04		
Houma, LA												
Academy Sports	2,650	1,340	2,943	3	1,340	2,946	4,286	774	2004	07/04		
Midland, TX												
Academy Sports	3,219	1,050	3,954	6	1,050	3,960	5,010	1,040	2004	07/04		
Port Arthur, TX												
Academy Sports	4,216	3,215	3,963		3,215	3,963	7,178	1,005	2004	07/04		
San Antonio, TX												
Alison s Corner	2,630	1,045	5,700	78	1,045	5,778	6,823	1,622	2003	04/04		
San Antonio, TX												
American Express	10,105	1,400	15,370	9	1,400	15,379	16,779	3,768	2000	12/04		
DePere, WI												
American Express		2,900	10,170	8	2,900	10,178	13,078	2,493	1983	12/04		
Phoenix, AZ												
Arvada Connection and Arvada Marketplace	22,000	8,125	39,366	490	8,125	39,856	47,981	11,425	1987-1990	04/04		
Arvada, CO												
Ashland & Roosevelt	9,744		21,052	299		21,351	21,351	5,161	2002	05/05		
Chicago, IL												
Azalea Square I	12,378	6,375	21,304	1,592	6,375	22,896	29,271	5,924	2004	10/04		
Summerville, SC												
Azalea Square III	8,703	3,280	10,348	63	3,280	10,411	13,691	1,621	2007	10/07		

Summerville, SC

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Bangor Parkade ^(a)	11,600	13,539	4,003	11,600	17,542	29,142	3,689	2005	03/06
Bangor, ME									
Battle Ridge Pavilion ^(a)	4,350	11,366	(124)	4,350	11,242	15,592	2,356	1999	05/06
Marietta, GA									
Beachway Plaza	6,025	5,460	10,397	210	5,460	10,607	16,067	2,570	1984/2004 06/05
Bradenton, FL									
Bed Bath & Beyond Plaza	9,333	18,367	40		18,407	18,407	4,862	2004	10/04
Miami, FL									
Bed Bath & Beyond Plaza	10,550	4,530	11,901	4,530	11,901	16,431	2,797	2000-2002	07/05
Westbury, NY									

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Property Name	Encumbrance	Initial Cost ^(A)			Gross amount carried at end of period			Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements	Adjustments to Basis ^(C)	Land and Improvements	Buildings and Improvements ^(D)					
Best on the Boulevard	17,978	7,460	25,583	357	7,460	25,940	33,400	7,458	1996-1999	04/04	
Las Vegas, NV											
Bison Hollow	7,701	5,550	12,324	28	5,550	12,352	17,902	3,011	2004	04/05	
Traverse City, MI											
Blockbuster at Five Forks ^(a)		440	1,018		440	1,018	1,458	252	2004-2005	03/05	
Simpsonville, SC											
Bluebonnet Parc	8,978	4,450	16,407	76	4,450	16,483	20,933	4,809	2002	04/04	
Baton Rouge, LA											
Boston Commons	8,826	3,750	9,690	200	3,750	9,890	13,640	2,408	1993	05/05	
Springfield, MA											
Boulevard at The Capital Ctr ^(a)			114,703	(31,003)		83,700	83,700	9,383	2004	09/04	
Largo, MD											
Boulevard Plaza	2,456	4,170	12,038	2,499	4,170	14,537	18,707	3,427	1994	04/05	
Pawtucket, RI											
The Brickyard	44,000	45,300	26,657	4,277	45,300	30,934	76,234	7,569	1977/2004	04/05	
Chicago, IL											
Broadway Shopping Center	10,379	5,500	14,002	1,973	5,500	15,975	21,475	3,574	1960/1999- 2000	09/05	
Bangor, ME											
Brown s Lane	5,109	2,600	12,005	866	2,600	12,871	15,471	3,101	1985	04/05	
Middletown, RI											
Burlington Coat Factory	5,500	2,858	5,084	1,247	2,858	6,331	9,189	1,320	1993	09/05	
Elk Grove, CA											
Burlington Coat Factory	5,100	3,860	4,008	1,917	3,860	5,925	9,785	1,174	1988	09/05	
Moreno Valley, CA											
Burlington Coat Factory	5,000	3,388	4,339	1,247	3,388	5,586	8,974	1,119	1981	09/05	
Redlands, CA											
Burlington Coat Factory	5,200	3,324	4,624	(3,487)	1,494	2,967	4,461	329	1992	09/05	
Vacaville, CA											
Carmax		6,210	7,731		6,210	7,731	13,941	1,936	1998	03/05	
San Antonio, TX											
Carrier Towne Crossing ^(a)		2,750	13,662	862	2,750	14,524	17,274	3,272	1998	12/05	

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Grand Prairie, TX										
Central Texas Marketplace	45,386	13,000	47,559	3,981	13,000	51,540	64,540	9,331	2004	12/06
Waco, TX										
Centre at Laurel	27,200	19,000	8,406	16,589	19,000	24,995	43,995	5,114	2005	02/06
Laurel, MD										
Century III Plaza	26,200	7,100	33,212	1,391	7,100	34,603	41,703	7,876	1996	06/05
West Mifflin, PA										
Chantilly Crossing	16,673	8,500	16,060	2,085	8,500	18,145	26,645	4,219	2004	05/05
Chantilly, VA										
Cinemark Seven Bridges	5,109	3,450	11,728		3,450	11,728	15,178	2,770	2000	03/05
Woodridge, IL										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)+(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
Citizen's Property Insurance ^(a)		2,150	7,601	6	2,150	7,607	9,757	1,686	2005	08/05
Jacksonville, FL										
Clearlake Shores	6,177	1,775	7,026	1,182	1,775	8,208	9,983	1,975	2003-2004	04/05
Clear Lake, TX										
Colony Square ^(a)		16,700	22,775	234	16,700	23,009	39,709	4,566	1997	05/06
Sugar Land, TX										
The Columns	12,771	5,830	19,439	77	5,830	19,516	25,346	5,229	2004	8/04 & 10/04
Jackson, TN										
The Commons at Temecula ^(a)		12,000	35,887	293	12,000	36,180	48,180	8,360	1999	04/05
Temecula, CA										
Coram Plaza	14,540	10,200	26,178	2,065	10,200	28,243	38,443	7,148	2004	12/04
Coram, NY										
Cornerstone Plaza	4,903	2,920	10,359	(160)	2,920	10,199	13,119	2,470	2004-2005	05/05
Cocoa Beach, FL										
Corwest Plaza	15,075	6,900	23,851	53	6,900	23,904	30,804	7,093	1999-2003	01/04
New Britain, CT										
Cost Plus Distribution Warehouse ^(b)	16,300	10,075	21,483	29,493	7,104	53,947	61,051	9,583	2003	04/06
Stockton, CA										
Cottage Plaza	11,101	3,000	19,158	(50)	3,000	19,108	22,108	4,840	2004-2005	02/05
Pawtucket, RI										
Cranberry Square	11,396	3,000	18,736	492	3,000	19,228	22,228	5,302	1996-1997	07/04
Cranberry Township, PA										
Crockett Square	5,812	4,140	7,534	53	4,140	7,587	11,727	1,643	2005	02/06
Morristown, TN										
Crossroads Plaza CVS	4,474	1,040	3,780	52	1,040	3,832	4,872	922	1987	05/05
North Attleborough, MA										
Crown Theater ^(a)		7,318	954		7,318	954	8,272	411	2000	07/05
Hartford, CT										
Cuyahoga Falls Market Center	3,782	3,350	11,083	(231)	3,350	10,852	14,202	2,697	1998	04/05
Cuyahoga Falls, OH										

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CVS Pharmacy	1,719	910	2,891		910	2,891	3,801	689	1999	06/05
Burleson, TX										
CVS Pharmacy (Eckerd)	2,309	975	2,400	2	975	2,402	3,377	712	2003	12/03
Edmond, OK										
CVS Pharmacy ^(a)		1,460	4,455	2	1,460	4,457	5,917	1,116	2004	03/05
Jacksonville, FL										
CVS Pharmacy	1,208	750	1,958		750	1,958	2,708	472	1999	05/05
Lawton, OK										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
CVS Pharmacy	1,847	250	2,777		250	2,777	3,027	687	2001	03/05
Montevallo, AL										
CVS Pharmacy	1,994	600	2,659		600	2,659	3,259	650	2004	05/05
Moore, OK										
CVS Pharmacy (Eckerd)	3,635	932	4,370		932	4,370	5,302	1,306	2003	12/03
Norman, OK										
CVS Pharmacy	1,925	620	3,583		620	3,583	4,203	854	1999	06/05
Oklahoma City, OK										
CVS Pharmacy	2,731	1,100	3,254		1,100	3,254	4,354	805	2004	03/05
Saginaw, TX										
CVS Pharmacy	1,845	600	2,469	3	600	2,472	3,072	650	2004	10/04
Sylacauga, AL										
Darien Towne Center	18,133	7,000	22,468	673	7,000	23,141	30,141	6,658	1994	12/03
Darien, IL										
Davis Towne Crossing	2,739	1,850	5,681	863	1,671	6,723	8,394	1,778	2003-2004	06/04
North Richland Hills, TX										
Denton Crossing	28,195	6,000	43,434	11,155	6,000	54,589	60,589	13,845	2003-2004	10/04
Denton, TX										
Dick's Sporting Goods ^(c)	5,100	2,455	5,438	1,696	2,455	7,134	9,589	1,333	1993	04/05
Fresno, CA										
Diebold Warehouse ^(a)			11,190	2		11,192	11,192	2,667	2005	07/05
Green, OH										
Dorman Center I & II	21,347	17,025	29,478	452	17,025	29,930	46,955	8,644	2003-2004	3/04 & 7/04
Spartanburg, SC										
Duck Creek	12,432	4,440	12,076	5,198	4,440	17,274	21,714	3,628	2005	11/05
Bettendorf, IA										
East Stone Commons	22,550	2,900	28,714	(1,484)	2,826	27,304	30,130	5,504	2005	06/06
Kingsport, TN										
Eastwood Towne Center	23,001	12,000	65,067	(1,026)	12,000	64,041	76,041	18,063	2002	05/04
Lansing, MI										
Edgemont Town Center	6,730	3,500	10,956	(193)	3,500	10,763	14,263	2,878	2003	11/04

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Homewood, AL										
Edwards Multiplex	9,824		35,421		35,421	35,421	8,658	1988		05/05
Fresno, CA										
Edwards Multiplex	14,196	11,800	33,098		11,800	33,098	44,898	8,090	1997	05/05
Ontario, CA										
Evans Towne Centre	4,421	1,700	6,425	64	1,700	6,489	8,189	1,662	1995	12/04
Evans, GA										
Fairgrounds Plaza	14,142	4,800	13,490	4,354	5,431	17,213	22,644	4,171	2002-2004	01/05
Middletown, NY										
Fisher Scientific ^(a)		510	12,768	10	510	12,778	13,288	2,905	2005	06/05
Kalamazoo, MI										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
Five Forks ^(a)		2,100	5,374	51	2,100	5,425	7,525	1,404	1999	12/04
Simpsonville, SC										
Forks Town Center	8,691	2,430	14,836	697	2,430	15,533	17,963	4,208	2002	07/04
Easton, PA										
Four Peaks Plaza	10,048	5,000	20,098	4,406	5,000	24,504	29,504	5,739	2004	03/05
Fountain Hills, AZ										
Fox Creek Village	9,333	3,755	15,563	(1,075)	3,755	14,488	18,243	3,931	2003-2004	11/04
Longmont, CO										
Fullerton Metrocenter	28,981		47,403	1,236		48,639	48,639	13,213	1988	06/04
Fullerton, CA										
Galvez Shopping Center	4,245	1,250	4,947	339	1,250	5,286	6,536	1,267	2004	06/05
Galveston, TX										
The Gateway	99,414	28,665	110,945	21,853	28,665	132,798	161,463	30,605	2001-2003	05/05
Salt Lake City, UT										
Gateway Pavilions	25,052	9,880	55,195	(1,163)	9,880	54,032	63,912	13,986	2003-2004	12/04
Avondale, AZ										
Gateway Plaza	18,862		26,371	2,273		28,644	28,644	7,574	2000	07/04
Southlake, TX										
Gateway Station	3,067	1,050	3,911	1,122	1,050	5,033	6,083	1,256	2003-2004	12/04
College Station, TX										
Gateway Station II:III ^(b)	6,268	3,280	11,557	4	3,280	11,561	14,841	1,367	2006-2007	05/07
College Station, TX										
Gateway Village	25,529	8,550	39,298	3,777	8,550	43,075	51,625	11,623	1996	07/04
Annapolis, MD										
Gerry Centennial Plaza ^(a)		5,370	12,968	8,318	5,370	21,286	26,656	3,252	2006	06/07
Oswego, IL										
Giant Eagle	12,154	3,425	16,868	10	3,425	16,878	20,303	3,764	2000	11/05
Columbus, OH										
Gloucester Town Center	9,141	3,900	17,878	198	3,900	18,076	21,976	4,337	2003	05/05
Gloucester, NJ										
GMAC Insurance Buildings	24,904	8,250	50,287	(42,010)	2,928	13,599	16,527	491	1980/1990	09/04

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Winston-Salem, NC

Golfsmith ^(a)	1,250	2,974	2	1,250	2,976	4,226	642	1992/2004	11/05
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Altamonte Springs, FL

Governor s Marketplace	13,568	30,377	2,034		32,411	32,411	8,658	2001	08/04
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Tallahassee, FL

Grapevine Crossing	11,707	4,100	16,938	(50)	3,894	17,094	20,988	4,159	2001	04/05
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Grapevine, TX

Green s Corner	5,502	3,200	8,663	63	3,200	8,726	11,926	2,223	1997	12/04
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Cumming, GA

Greensburg Commons	10,250	2,700	19,116	(170)	2,700	18,946	21,646	4,727	1999	04/05
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Greensburg, IN

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		Gross amount carried at end of								
		Initial Cost ^(A)		Adjustments to Basis ^(C)	Land and Improvements ^(B)	Buildings and Improvements ^(D)	Total (B)+(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
Property Name	Encumbrance	Land	Buildings and Improvements							
Greenwich Center ^(a)		5,439	21,594	(9,465)	3,791	13,777	17,568	1,193	2002-2003 & 2006	02/06
Phillipsburg, NJ										
Gurnee Town Center	15,620	7,000	35,147	1,436	7,000	36,583	43,583	9,285	2000	10/04
Gurnee, IL										
Hartford Insurance Building ^(a)		1,700	13,709	6	1,700	13,715	15,415	3,185	2005	08/05
Maple Grove, MN										
Harvest Towne Center	4,126	3,155	5,085	53	3,155	5,138	8,293	1,385	1996-1999	09/04
Knoxville, TN										
Henry Town Center	31,878	10,650	46,814	348	10,650	47,162	57,812	12,113	2002	12/04
McDonough, GA										
Heritage Towne Crossing	8,755	3,065	10,729	1,153	3,065	11,882	14,947	3,375	2002	03/04
Eules, TX										
Hewitt Associates Campus	116,958	28,500	178,524	(3)	28,497	178,524	207,021	43,087	1974/1986	05/05
Lincolnshire, IL										
Hickory Ridge	19,943	6,860	30,517	501	6,860	31,018	37,878	8,586	1999	01/04
Hickory, NC										
High Ridge Crossing	5,109	3,075	9,148	(296)	3,075	8,852	11,927	2,229	2004	03/05
High Ridge, MO										
Hobby Lobby ^(c)	5,000	4,419	3,235	757	4,419	3,992	8,411	756	1990	09/05
Rancho Cucamonga, CA										
Hobby Lobby ^(c)	5,400	4,734	2,997	522	4,734	3,519	8,253	700	1983	09/05
Roseville, CA										
Hobby Lobby ^(c)	5,100	4,704	3,062	720	4,704	3,782	8,486	716	1990	09/05
Temecula, CA										
Holliday Towne Center	8,056	2,200	11,609	(367)	2,200	11,242	13,442	2,917	2003	02/05
Duncansville, PA										
Home Depot Center	11,200		16,758			16,758	16,758	3,993	1996	06/05
Pittsburgh, PA										
Home Depot Plaza	13,530	9,700	17,137	455	9,700	17,592	27,292	4,173	1992	06/05
Orange, CT										

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HQ Building	9,408	5,200	10,010	4,156	5,200	14,166	19,366	2,671	Redev: 04	12/05
San Antonio, TX										
Humblewood Shopping Center	6,672	2,200	12,823	(51)	2,200	12,772	14,972	2,828	Renov: 05	11/05
Humble, TX										
Irmo Station	5,207	2,600	9,247	88	2,600	9,335	11,935	2,392	1980 & 1985	12/04
Irmo, SC										
Jefferson Commons	54,507	23,097	52,762	(74)	23,097	52,688	75,785	7,591	2005	02/08
Newport News, VA										
King Philip s Crossing	10,687	3,710	19,144	(556)	3,710	18,588	22,298	4,202	2005	11/05
Seekonk, PA										
Kohl s	4,700	2,701	5,304	(4,487)	1,289	2,229	3,518	233	1993	09/05
Hanford, CA										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)+(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
Kohl s	4,400	2,723	4,210	1	2,723	4,211	6,934	971	1979	09/05
Lodi, CA										
Kohl s	4,800	3,864	3,533	1	3,864	3,534	7,398	815	1973	09/05
Sacramento, CA										
Kohl s	6,000	5,211	3,546	1	5,211	3,547	8,758	818	1980	09/05
Sun Valley, CA										
La Plaza Del Norte	17,125	16,005	37,744	954	16,005	38,698	54,703	10,972	1996/1999	01/04
San Antonio, TX										
Lake Forest Crossing		2,200	5,110	116	2,200	5,226	7,426	1,267	2004	03/05
McKinney, TX										
Lake Mary Pointe	1,709	2,075	4,009	89	2,075	4,098	6,173	1,077	1999	10/04
Lake Mary, FL										
Lake Mead Crossing ^(d)		17,796	50,216	(7,191)	14,934	45,887	60,821	4,366	2011	10/06
Las Vegas, NV										
Lake Worth Towne Crossing ^(a)		6,200	30,910	4,285	6,200	35,195	41,395	6,942	2005	06/06
Lake Worth, TX										
Lakepointe Towne Center ^(a)		4,750	23,904	875	4,750	24,779	29,529	5,928	2004	05/05
Lewisville, TX										
Lakewood Towne Center	41,048	11,200	70,796	(3,388)	11,200	67,408	78,608	18,725	1988/2002- 2003	06/04
Lakewood, WA										
Lincoln Plaza	40,707	13,000	46,482	21,517	13,165	67,834	80,999	14,500	2001-2004	09/05
Worcester, MA										
Low Country Village I & II	10,561	2,910	16,614	(513)	2,486	16,525	19,011	4,248	2004-2005	06/04 & 09/05
Bluffton, SC										
Lowe s/Bed, Bath & Beyond	13,569	7,423	799	(8)	7,415	799	8,214	337	2005	08/05
Butler, NJ										
MacArthur Crossing	7,221	4,710	16,265	709	4,710	16,974	21,684	4,919	1995-1996	02/04
Los Colinas, TX										
Magnolia Square	6,582	2,635	15,040	(1,121)	2,635	13,919	16,554	3,617	2004	02/05
Houma, LA										

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Manchester Meadows ^(a)	14,700	39,738	(118)	14,700	39,620	54,320	10,751	1994-1995	08/04
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Town and Country,
MO

Mansfield Towne Crossing	8,792	3,300	12,195	3,452	3,300	15,647	18,947	4,015	2003-2004	11/04
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Mansfield, TX

Maple Tree Place	63,400	28,000	67,361	2,992	28,000	70,353	98,353	16,900	2004-2005	05/05
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Williston, VT

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
The Market at Clifty Crossing	13,710	1,900	16,668	670	1,847	17,391	19,238	3,792	1986/2004	11/05
Columbus, IN										
The Market at Polaris	36,196	11,750	40,197	5,997	11,750	46,194	57,944	10,089	2005	11/05
Columbus, OH										
Massillon Commons	7,221	4,090	12,521	332	4,090	12,853	16,943	3,135	1986/2000	04/05
Massillon, OH										
McAllen Shopping Center	1,605	850	2,958	(112)	850	2,846	3,696	733	2004	12/04
McAllen, TX										
McDermott Towne Crossing		1,850	6,923	63	1,850	6,986	8,836	1,608	1999	09/05
Allen, TX										
Mervyns	5,000	1,964	5,682	(4,088)	1,006	2,552	3,558	317	1988	09/05
Bakersfield, CA										
Mervyns	5,200	2,357	5,702	1	2,357	5,703	8,060	1,316	1992	09/05
Fontana, CA										
Mervyns	5,300	2,308	5,870	(3,311)	1,506	3,361	4,867	418	1994	09/05
Highland, CA										
Mervyns	5,700	2,799	6,194	1	2,799	6,195	8,994	1,429	1992	09/05
Manteca, CA										
Mervyns	5,100	4,027	3,931	2	4,027	3,933	7,960	907	1992	09/05
McAllen, TX										
Mervyns	5,100	4,714	3,153	1	4,714	3,154	7,868	728	1989	09/05
Morgan Hill, CA										
Mervyns	6,400	6,305	5,384	18	6,305	5,402	11,707	1,243	1982	09/05
Oceanside, CA										
Mervyns	3,300	1,473	4,556	(3,632)	641	1,756	2,397	234	1990	09/05
Ridgecrest, CA										
Mervyns	4,000	1,925	4,294	(3,315)	975	1,929	2,904	258	1987	09/05
Turlock, CA										
Mid-Hudson Center	23,750	9,900	29,160	1	9,900	29,161	39,061	6,867	2000	07/05
Poughkeepsie, NY										
Midtown Center	30,963	13,220	41,687	5,208	13,220	46,895	60,115	10,996	1986-1987	01/05

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Milwaukee, WI										
Mission Crossing	12,014	4,000	12,616	7,141	4,670	19,087	23,757	4,242	Renov:	07/05
San Antonio, TX									2003-2005	
Mitchell Ranch Plaza	20,060	5,550	26,213	294	5,550	26,507	32,057	7,109	2003	08/04
New Port Richey, FL										
Montecito Crossing	17,608	9,700	25,414	9,294	11,300	33,108	44,408	7,289	2004-2005	10/05
Las Vegas, NV										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
Mor Furniture		3,200	5,530	(5,227)	3,200	303	3,503	39	2005	10/05
Murrieta, CA										
Mountain View Plaza I & II		5,180	18,212	45	5,120	18,317	23,437	3,999	2003 & 2006	10/05 & 11/06
Kalispell, MT										
Newburgh Crossing	6,808	4,000	10,246	6	4,000	10,252	14,252	2,349	2005	10/05
Newburgh, NY										
Newnan Crossing I & II	25,404	15,100	33,987	4,095	15,100	38,082	53,182	10,184	1999 & 2004	12/03 & 02/04
Newnan, GA										
Newton Crossroads	3,881	3,350	6,927	(25)	3,350	6,902	10,252	1,765	1997	12/04
Covington, GA										
North Rivers Towne Center	10,414	3,350	15,720	213	3,350	15,933	19,283	4,526	2003-2004	04/04
Charleston, SC										
Northgate North	28,650	7,540	49,078	(16,220)	7,540	32,858	40,398	9,351	1999-2003	06/04
Seattle, WA										
Northpointe Plaza	24,069	13,800	37,707	1,929	13,800	39,636	53,436	10,915	1991-1993	05/04
Spokane, WA										
Northwood Crossing(a)		3,770	13,658	458	3,770	14,116	17,886	3,068	1979/2004	01/06
Northport, AL										
Northwoods Center	8,842	3,415	9,475	6,186	3,415	15,661	19,076	3,858	2002-2004	12/04
Wesley Chapel, FL										
Orange Plaza (Golfland Plaza)	6,200	4,350	4,834	961	4,350	5,795	10,145	1,302	1995	05/05
Orange, CT										
The Orchard	12,109	3,200	17,151	14	3,200	17,165	20,365	3,998	2004-2005	07/05 & 9/05
New Hartford, NY										
Pacheco Pass Phase I & II(a)		13,420	32,784	(1,094)	13,400	31,710	45,110	6,492	2004 & 2006	07/05 & 06/07
Gilroy, CA										
Page Field Commons(a)			43,355	1,151		44,506	44,506	10,780	1999	05/05
Fort Myers, FL										
Paradise Valley Marketplace	9,529	6,590	20,425	86	6,590	20,511	27,101	5,809	2002	04/04

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Phoenix, AZ										
Parkway Towne Crossing	6,142	20,423	3,384	6,142	23,807	29,949	3,815	2010	08/06	
Frisco, TX										
Pavillion at Kings Grant I & II	16,000	10,274	12,392	11,697	10,274	24,089	34,363	4,531	2002-2003 & 2005	12/03 & 06/06
Concord, NC										
Peoria Crossings I & II(b)	17,426	6,995	32,816	3,722	8,495	35,038	43,533	9,730	2002-2003 & 2005	03/04 & 05/05
Peoria, AZ										
Phenix Crossing	4,323	2,600	6,776	122	2,600	6,898	9,498	1,791	2004	12/04
Phenix City, AL										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period			Total (B)/(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)					
Pine Ridge Plaza	11,203	5,000	19,802	1,893	5,000	21,695	26,695	5,809	1998-2004	06/04	
Lawrence, KS											
Placentia Town Center	11,494	11,200	11,751	193	11,200	11,944	23,144	3,077	1973/2000	12/04	
Placentia, CA											
Plaza at Marysville	9,496	6,600	13,728	159	6,600	13,887	20,487	3,752	1995	07/04	
Marysville, WA											
Plaza at Riverlakes	8,827	5,100	10,824	(10)	5,100	10,814	15,914	2,837	2001	10/04	
Bakersfield, CA											
Plaza Santa Fe II	14,550		28,588	803		29,391	29,391	8,044	2000-2002	06/04	
Santa Fe, NM											
Pleasant Run	14,245	4,200	29,085	2,502	4,200	31,587	35,787	8,003	2004	12/04	
Cedar Hill, TX											
Powell Center	8,390	5,490	7,448	(43)	5,490	7,405	12,895	1,294	2001	04/07	
Lewis Center, OH											
Preston Trail Village	13,378	7,139	13,670	1,038	7,139	14,708	21,847	1,818	1978/2008	09/08	
Dallas, TX											
Promenade at Red Cliff	8,351	5,340	12,665	513	5,340	13,178	18,518	3,687	1997	02/04	
St. George, UT											
Pro-Ranch Market	5,000	3,339	4,348	1	3,339	4,349	7,688	1,003	1981	09/05	
El Paso, TX											
Quakertown	8,161	2,400	9,246	1	2,400	9,247	11,647	2,149	2004-2005	09/05	
Quakertown, PA											
Rasmussen College ^(a)		850	4,049	6	850	4,055	4,905	953	2005	08/05	
Brooklyn Park, MN											
Rave Theater	17,889	3,440	22,111	2,881	3,440	24,992	28,432	5,428	2005	12/05	
Houston, TX											
Raytheon Facility ^(a)		650	18,353	2	650	18,355	19,005	4,318	Rehab: 2001	08/05	
State College, PA											
Red Bug Village	4,439	1,790	6,178	102	1,790	6,280	8,070	1,454	2004	12/05	
Winter Springs, FL											
Reisterstown Road Plaza ^(a)		15,800	70,372	9,569	15,800	79,941	95,741	20,787	1986/2004	08/04	
Baltimore, MD											
Ridge Tool Building ^(a)		415	6,799	1	415	6,800	7,215	1,487	2005	09/05	

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Cambridge, OH

Rite Aid Store (Eckerd),	2,903	2,000	2,722		2,000	2,722	4,722	615	1999	11/05
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Sheridan Dr.

Amherst, NY

Rite Aid Store (Eckerd),	3,243	2,500	2,764	2	2,500	2,766	5,266	625	2003	11/05
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Transit Road

Amherst, NY

Rite Aid Store (Eckerd)		900	1,215		900	1,215	2,115	293	1999-2000	05/05
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Atlanta, GA

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Property Name	Encumbrance	Initial Cost ^(A)				Gross amount carried at end of period			Date Constructed	Date Acquired
		Land	Buildings and Improvements	Adjustments to Basis ^(C)	Land and Improvements ^(D)	Buildings and Improvements ^(D)	Total ^{(B)(D)}	Accumulated Depreciation ^(E)		
Rite Aid Store (Eckerd), East Main St. Batavia, NY	2,855	1,860	2,786		1,860	2,786	4,646	630	2004	11/05
Rite Aid Store (Eckerd), West Main St. Batavia, NY	2,547	1,510	2,627		1,510	2,627	4,137	594	2001	11/05
Rite Aid Store (Eckerd), Ferry St. Buffalo, NY	2,198	900	2,677		900	2,677	3,577	605	2000	11/05
Rite Aid Store (Eckerd) Main St. Buffalo, NY	2,174	1,340	2,192		1,340	2,192	3,532	495	1998	11/05
Rite Aid Store (Eckerd) Canandaigua, NY	3,091	1,968	2,575	1	1,968	2,576	4,544	582	2004	11/05
Rite Aid Store (Eckerd) Chattanooga, TN	1,739	750	2,042		750	2,042	2,792	486	1999	06/05
Rite Aid Store (Eckerd) Cheektowaga, NY	2,117	2,080	1,393		2,080	1,393	3,473	315	1999	11/05
Rite Aid Store (Eckerd) Colesville, MD	3,193	3,000	3,955	22	3,000	3,977	6,977	962	2005	05/05
Rite Aid Store (Eckerd) Columbia, SC	1,719	900	2,377		900	2,377	3,277	678	2003-2004	06/04
Rite Aid Store (Eckerd) Crossville, TN	1,375	600	2,033	1	600	2,034	2,634	565	2003-2004	06/04
Rite Aid Store (Eckerd) Grand Island, NY	1,665	900	2,475		900	2,475	3,375	556	1999	11/05
Rite Aid Store (Eckerd) Greece, NY	1,926	470	2,657		470	2,657	3,127	601	1998	11/05
Rite Aid Store (Eckerd) Greer, SC	1,650	1,050	2,047	1	1,050	2,048	3,098	569	2003-2004	06/04
Rite Aid Store (Eckerd) ^(a) Hellertown, PA		1,550	3,954	6	1,550	3,960	5,510	931	2004	08/05

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Rite Aid Store (Eckerd)	2,409	2,060	1,873		2,060	1,873	3,933	423	2002	11/05
Hudson, NY										
Rite Aid Store (Eckerd)	2,877	1,940	2,736		1,940	2,736	4,676	619	2002	11/05
Irondequoit, NY										
Rite Aid Store (Eckerd)	1,965	700	2,960	1	700	2,961	3,661	823	2003-2004	06/04
Kill Devil Hills, NC										
Rite Aid Store (Eckerd)	1,786	1,710	1,207		1,710	1,207	2,917	273	1999	11/05
Lancaster, NY										
Rite Aid Store (Eckerd) ^(a)		975	4,369	6	975	4,375	5,350	1,029	2004	08/05
Lebanon, PA										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
Rite Aid Store (Eckerd)	2,716	1,650	2,788		1,650	2,788	4,438	630	2002	11/05
Lockport, NY										
Rite Aid Store (Eckerd)	1,682	820	1,935		820	1,935	2,755	437	2000	11/05
North Chili, NY										
Rite Aid Store (Eckerd)	2,452	1,190	2,809		1,190	2,809	3,999	635	1999	11/05
Olean, NY										
Rite Aid Store (Eckerd) ^(a)		1,000	4,328	5	1,000	4,333	5,333	1,019	2004	08/05
Punxsutawney, PA										
Rite Aid Store (Eckerd), Culver Rd.	2,376	1,590	2,279		1,590	2,279	3,869	515	2001	11/05
Rochester, NY										
Rite Aid Store (Eckerd), Lake Ave.	3,210	2,220	3,025	2	2,220	3,027	5,247	684	2001	11/05
Rochester, NY										
Rite Aid Store (Eckerd)	2,370	800	3,075		800	3,075	3,875	695	2000	11/05
Tonawanda, NY										
Rite Aid Store (Eckerd), Harlem Road	2,770	2,830	1,683		2,830	1,683	4,513	380	2003	11/05
West Seneca, NY										
Rite Aid Store (Eckerd), Union Rd.	2,395	1,610	2,300		1,610	2,300	3,910	520	2000	11/05
West Seneca, NY										
Rite Aid Store (Eckerd)	1,372	810	1,434		810	1,434	2,244	324	1997	11/05
Yorkshire, NY										
Riverpark Phase IIA	6,435	1,800	8,542	(57)	1,800	8,485	10,285	1,661	2006	09/06
Sugarland, TX										
Rivory Town Crossing	8,018	2,900	6,814	308	2,900	7,122	10,022	1,345	2005	10/06
Georgetown, TX										
Royal Oaks Village II	8,550	2,200	11,859	(232)	2,200	11,627	13,827	2,637	2004-2005	11/05
Houston, TX										
Saucon Valley Square	8,842	3,200	12,642	(2,030)	3,200	10,612	13,812	2,901	1999	09/04
Bethlehem, PA										

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Shaws Supermarket ^(a)		2,700	11,532	(298)	2,700	11,234	13,934	3,396	1995	12/03
New Britain, CT										
Shoppes at Lake Andrew I & II	15,117	4,000	22,996	305	4,000	23,301	27,301	5,942	2003	12/04
Viera, FL										
Shoppes at Park West	5,502	2,240	9,357	(56)	2,240	9,301	11,541	2,469	2004	11/04
Mt. Pleasant, SC										
The Shoppes at Quarterfield	5,019	2,190	8,840	66	2,190	8,906	11,096	2,581	1999	01/04
Severn, MD										
Shoppes at Stroud ^(a)		5,711	27,878	(2,938)	5,111	25,540	30,651	3,163	2007-2008	01/08
Stroudsburg, PA										

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period		Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)				
Shoppes of New Hope	3,759	1,350	11,045	(302)	1,350	10,743	12,093	2,974	2004	07/04
Dallas, GA Shoppes of Prominence Point I & II ^(b)		3,650	12,652	(18)	3,650	12,634	16,284	3,401	2004 & 2005	06/04 & 09/05
Canton, GA Shoppes of Warner Robins	5,328	1,110	11,258	(59)	1,110	11,199	12,309	2,673	2004	06/05
Warner Robins, GA Shops at 5 ^(a)		8,350	59,570	70	8,350	59,640	67,990	14,387	2005	06/05
Plymouth, MA The Shops at Boardwalk	7,625	5,000	30,540	(1,910)	5,000	28,630	33,630	7,963	2003-2004	07/04
Kansas City, MO Shops at Forest Commons	4,710	1,050	6,133	(159)	1,050	5,974	7,024	1,556	2002	12/04
Round Rock, TX The Shops at Legacy	61,100	8,800	108,940	10,509	8,800	119,449	128,249	19,686	2002	06/07
Plano, TX Shops at Park Place	8,089	9,096	13,175	513	9,096	13,688	22,784	4,287	2001	10/03
Plano, TX South Towne Crossing ^(a)		1,600	9,391	1,971	1,600	11,362	12,962	2,205	2005	06/06
Burleson, TX Southgate Plaza	4,070	2,200	9,229	37	2,161	9,305	11,466	2,317	1998-2002	03/05
Heath, OH Southlake Town Square I V ^(f)	147,960	41,490	187,353	17,490	41,490	204,843	246,333	43,279	1998-2004 & 2007	12/04, 5/07, 9/08 & 3/09
Southlake, TX Southwest Crossing ^(a)		4,750	19,679	154	4,750	19,833	24,583	4,779	1999	06/05
Fort Worth, TX Stanley Works/Mac Tools ^(a)		1,900	7,624		1,900	7,624	9,524	1,845	2004	01/05
Westerville, OH Stateline Station ^(a)		6,500	23,780	(14,946)	3,829	11,505	15,334	1,482	2003-2004	03/05

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Kansas City, MO										
Stilesboro Oaks	5,266	2,200	9,426	(45)	2,200	9,381	11,581	2,408	1997	12/04
Acworth, GA										
Stonebridge Plaza		1,000	5,783	60	1,000	5,843	6,843	1,387	1997	08/05
McKinney, TX										
Stony Creek I	8,842	6,735	17,564	355	6,735	17,919	24,654	5,442	2003	12/03
Noblesville, IN										
Stony Creek II ^(a)		1,900	5,106	37	1,900	5,143	7,043	1,157	2005	11/05
Noblesville, IN										
Stop & Shop	7,349	2,650	11,491	6	2,650	11,497	14,147	2,594	Renov: 2005	11/05
Beekman, NY										

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Property Name	Encumbrance	Initial Cost ^(A)			Gross amount carried at end of period			Total (B)+(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements	Adjustments to Basis ^(C)	Land and Improvements	Buildings and Improvements ^(D)					
Target South Center	5,634	2,300	8,760	257	2,300	9,017	11,317	2,031	1999	11/05	
Austin, TX											
Tim Horton Donut Shop		212	30		212	30	242	12	2004	11/05	
Canandaigua, NY											
Tollgate Marketplace ^(a)		8,700	61,247	1,783	8,700	63,030	71,730	16,635	1979/1994	07/04	
Bel Air, MD											
Town Square Plaza ^(a)		9,700	18,264	1,489	9,700	19,753	29,453	4,326	2004	12/05	
Pottstown, PA											
Towson Circle	12,471	9,050	17,840	1,606	9,050	19,446	28,496	5,119	1998	07/04	
Towson, MD											
Traveler's Office Building ^(a)		650	7,001	822	1,079	7,394	8,473	1,554	2005	01/06	
Knoxville, TN											
Trenton Crossing	16,799	8,180	19,262	3,165	8,180	22,427	30,607	5,423	2003	02/05	
McAllen, TX											
University Square	26,865	1,770	48,068	(42,239)	986	6,613	7,599	512	2003	05/05	
University Heights, OH											
University Town Center	4,617		9,557	151		9,708	9,708	2,516	2002	11/04	
Tuscaloosa, AL											
Vail Ranch Plaza	11,138	6,200	16,275	(31)	6,200	16,244	22,444	3,979	2004-2005	04/05	
Temecula, CA											
The Village at Quail Springs	5,403	3,335	7,766	121	3,335	7,887	11,222	1,964	2003-2004	02/05	
Oklahoma City, OK											
Village Shoppes at Gainesville ^(a)		4,450	36,592	361	4,450	36,953	41,403	8,630	2004	09/05	
Gainesville, GA											
Village Shoppes at Simonton	3,470	2,200	10,874	(222)	2,200	10,652	12,852	2,918	2004	08/04	
Lawrenceville, GA											
Walgreens	3,094	450	5,074		450	5,074	5,524	1,199	2000	04/05	
Northwoods, MO											
Walgreens	2,269	550	3,580		550	3,580	4,130	886	1999	04/05	
West Allis, WI											
Walter's Crossing	20,626	14,500	16,914	(4)	14,500	16,910	31,410	3,637	2005	07/06	

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Tampa, FL

Watauga Pavillion	14,500	5,185	27,504	92	5,185	27,596	32,781	7,755	2003-2004	05/04
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Watuaga, TX

West Town Market	5,393	1,170	10,488	(35)	1,170	10,453	11,623	2,487	2004	06/05
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Fort Mill, SC

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Property Name	Encumbrance	Initial Cost ^(A)		Adjustments to Basis ^(C)	Gross amount carried at end of period			Total (B)(D)	Accumulated Depreciation ^(E)	Date Constructed	Date Acquired
		Land	Buildings and Improvements		Land and Improvements	Buildings and Improvements ^(D)					
Wilton Square	28,560	8,200	35,538	23	8,200	35,561		43,761	8,364	2000	07/05
Saratoga Springs, NY											
Winchester Commons	5,894	4,400	7,471	(9)	4,400	7,462		11,862	1,966	1999	11/04
Memphis, TN											
Winco ^(c)	5,000	4,714	2,968	1	4,714	2,969		7,683	685	1982	09/05
Venture, CA											
Zurich Towers	67,197	7,900	137,096	13	7,900	137,109		145,009	33,459	1986- 1990	11/04
Schaumburg, IL											
	2,700,178	1,339,983	4,916,705	108,542	1,320,270	5,044,960		6,365,230	1,180,509		
Development Properties											
Bellevue Mall		3,056			3,056			3,056			
Nashville, TN											
Green Valley ^(d)		11,603	12,619	(893)	11,037	12,292		23,329	258		
Henderson, NV											
South Billings ^(e)											
Billings, MT											
Subtotal Development Properties		14,659	12,619	(893)	14,093	12,292		26,385	258		
Developments in Progress	79,599	20,587	29,353		20,587	29,353		49,940			
Total Investment Properties	\$ 2,779,777	\$ 1,375,229	\$ 4,958,677	\$ 107,649	1,354,950	\$ 5,086,605		\$ 6,441,555	\$ 1,180,767		

- (a) This property is secured as collateral under the Company's line of credit agreement.
- (b) A portion of this property is secured as collateral under the Company's line of credit agreement.
- (c) This property was a former Mervyn's. The property name was changed when a new tenant took occupancy in 2011.
- (d) This property is encumbered by a construction loan included in Developments Progress.
- (e) This property is included in Developments in Progress.

Table of Contents**RETAIL PROPERTIES OF AMERICA, INC.****Notes:**

- (A) The initial cost to the Company represents the original purchase price of the property, including amounts incurred subsequent to acquisition which were contemplated at the time the property was acquired.
- (B) The aggregate cost of real estate owned at December 31, 2011 for U.S. Federal income tax purposes was approximately \$6,420,750 (unaudited).
- (C) Adjustments to basis include payments received under master lease agreements as well as additional tangible costs associated with the investment properties, including any earnout of tenant space.
- (D) Reconciliation of real estate owned:

	2011	2010	2009
Balance at January 1	\$ 6,721,242	\$ 6,969,951	\$ 7,365,167
Purchase of investment property	25,194	58	25,195
Sale of investment property	(269,214)	(255,764)	(313,062)
Property held for sale			(41,689)
Provision for asset impairment	(54,848)	(32,318)	(101,543)
Payments received under master leases	(259)	(789)	(1,231)
Acquired in-place lease intangibles	23,154	45,551	40,868
Acquired above market lease intangibles	2,572	3,171	4,689
Acquired below market lease intangibles	(6,286)	(8,618)	(8,443)
Balance at December 31	\$ 6,441,555	\$ 6,721,242	\$ 6,969,951

- (E) Reconciliation of accumulated depreciation:

	2011	2010	2009
Balance at January 1	\$ 1,034,769	\$ 866,169	\$ 733,661
Depreciation expense	202,970	212,832	218,029
Sale of investment property	(35,604)	(22,653)	(35,006)
Property held for sale			(112)
Provision for asset impairment	(13,856)	(8,071)	(38,553)
Write offs due to early lease termination	(7,512)	(11,568)	(11,850)
Other disposals		(1,940)	
Balance at December 31	\$ 1,180,767	\$ 1,034,769	\$ 866,169

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[PICTURE, TEXT AND/OR GRAPHICS FOR INSIDE COVER]

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Shares

RETAIL PROPERTIES OF AMERICA, INC.

Class A Common Stock

P R O S P E C T U S

J.P. Morgan

Citigroup

**Deutsche Bank Securities
, 2012**

KeyBanc Capital Markets

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****ITEM 31. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.**

The following table itemizes the expenses incurred by us in connection with the issuance and distribution of the securities being registered hereunder. All amounts shown are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the NYSE listing fee.

SEC Registration Fee	\$ 40,635
NYSE Listing Fee	*
FINRA Fee	\$ 35,500
Printing Expenses	*
Legal Fees and Expenses	*
Accounting Fees and Expenses	*
Transfer Agent and Registrar Fees	*
Director and Officer Liability Insurance Premium	*
Other Fees and Expenses	*
Total	\$ *

* To be completed by amendment.

ITEM 32. SALES TO SPECIAL PARTIES.

None.

ITEM 33. RECENT SALES OF UNREGISTERED SECURITIES.

None.

ITEM 34. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our charter contains a provision permitted under the Maryland General Corporation Law that eliminates each director's and officer's personal liability to us or our shareholders for monetary damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment and which is material to the cause of action. In addition, to the maximum extent permitted under the Maryland General Corporation Law, our charter authorizes us to obligate us and our bylaws require us, to indemnify our directors and pay or reimburse reasonable expenses in advance of final disposition of a proceeding if such director is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity. These rights are contract rights fully enforceable by each beneficiary of those rights, and are in addition to, and not exclusive of, any other right to indemnification. Furthermore, our officers and directors are indemnified against specified liabilities by the underwriter, and the underwriter is indemnified against certain liabilities by us, under the underwriting agreement relating to this offering. See Underwriting.

We have entered into indemnification agreements with each of our executive officers and directors whereby we indemnify such executive officers and directors and pay or reimburse reasonable expenses in advance of final disposition of a proceeding if such director or executive officer is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity to the fullest extent permitted by Maryland law against all expenses and liabilities, subject to limited exceptions. These indemnification agreements also provide that upon an application for indemnity by an executive officer or director to a court of appropriate jurisdiction, such court may order us to indemnify such

executive officer or director.

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Table of Contents**ITEM 35. TREATMENT OF PROCEEDS FROM STOCK BEING REGISTERED.**

None of the net proceeds will be credited to an account other than the appropriate capital share account.

ITEM 36. FINANCIAL STATEMENTS AND EXHIBITS.

(a) *Financial Statements.* See page F-1 for an index of the financial statements that are being filed as part of this registration statement.

(b) *Exhibits.* The following exhibits are filed as part of, or incorporated by reference into, this registration statement on Form S-11:

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement
3.1	Fifth Articles of Amendment and Restatement of Registrant (Incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 15, 2010).
3.2	Articles of Amendment of Registrant (Incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on March 9, 2012).
3.3*	Sixth Articles of Amendment and Restatement of the Registrant
3.4*	Amendment to Sixth Articles of Amendment and Restatement of the Registrant
3.5	Fourth Amended and Restated Bylaws of the Registrant (Incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on March 9, 2012).
3.6*	Fifth Amended and Restated Bylaws of the Registrant
4.1*	Specimen Certificate for the Shares
5.1*	Opinion of Goodwin Procter LLP regarding the validity of the securities being registered
8.1*	Opinion of Goodwin Procter LLP regarding certain tax matters
10.1	Second Amended and Restated Independent Director Stock Option Plan of the Registrant (Incorporated herein by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2010).
10.2	2008 Long-Term Equity Compensation Plan established May 13, 2008 of the Registrant (Incorporated herein by reference to Exhibit 10.575 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed on March 31, 2009).
10.3	Indemnification Agreements by and between the Registrant and its directors and named executive officers (Incorporated herein by reference to Exhibits 10.6 A-F, and H-I to the Registrant's Annual Report / Amended on Form 10-K/A for the year ended December 31, 2006 filed on April 27, 2007, Exhibits 10.561 10.563, 10.567, 10.569 10.571 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed on March 31, 2008 and Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 22, 2012).
10.4**	Second Amended and Restated Credit Agreement dated as of February 24, 2012 among the Registrant as Borrower and KeyBank National Association as Administrative Agent, KeyBanc Capital Markets Inc. as Co-Lead Arranger and Joint Book Manager, and JPMorgan Chase Bank, N.A. as Syndication Agent and JPMorgan Securities LLC as Co-Lead Arranger and Joint Book Manager and Citibank, N.A. as Co-Documentation Agent and Deutsche Bank Securities Inc. as Co-Documentation Agent and Certain Lenders from time to time parties hereto, as Lenders

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Exhibit Number	Exhibit Description
10.5	Loan Agreement dated as of December 1, 2009 by and among Colesville One, LLC, JPMorgan Chase Bank, N.A. and certain subsidiaries of the Registrant (Incorporated herein by reference to Exhibit 10.587 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2009 filed on March 5, 2010).
10.6	Senior Mezzanine Loan Agreement dated as of December 1, 2009 by and among IW Mezz 2009, LLC and JPMorgan Chase Bank, N.A. (Incorporated herein by reference to Exhibit 10.588 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2009 filed on March 5, 2010).
10.7	Junior Mezzanine Loan Agreement dated as of December 1, 2009 by and among IW Mezz 2 2009, LLC and JPMorgan Chase Bank, N.A. (Incorporated herein by reference to Exhibit 10.589 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2009 filed on March 5, 2010).
10.8	Operating Agreement of IW JV 2009, LLC dated as of December 1, 2009 by and between the Registrant and Inland Equity Investors, LLC (Incorporated herein by reference to Exhibit 10.590 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2010).
10.9	First Amendment to the Operating Agreement of IW JV 2009, LLC dated as of December 1, 2009, by and between the Registrant and Inland Equity Investors, LLC (Incorporated herein by reference to Exhibit 99.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and filed on May 12, 2010).
10.10	Closing Agreement dated as of June 17, 2011 by and between the Registrant, Inland Real Estate Investment Corporation and the Commissioner of the Internal Revenue Service.
21.1	List of Subsidiaries of Registrant (Incorporated by reference to Exhibit 21.1 to the Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 22, 2012).
23.1**	Consent of Deloitte & Touche LLP
23.2*	Consent of Goodwin Procter LLP (included in Exhibit 5.1)
23.3*	Consent of Goodwin Procter LLP (included in Exhibit 8.1)
23.4**	Consent of Rosen Consulting Group
24.1	Power of Attorney (included on the signature page to the Registration Statement filed with the Securities and Exchange Commission on February 14, 2011)
101*	The following materials from this Registration Statement formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Equity, (iv) Condensed Consolidated Statements of Cash Flows, (v) Notes to Condensed Consolidated Financial Statements and (vi) Financial Statement Schedules. As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

* To be filed by amendment.

** Filed herewith.
Previously filed.

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ITEM 37. *UNDERTAKINGS.*

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Act, may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(i) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that the registrant meets all of the requirements for filing on Form S-11 and has duly caused this Amendment No. 5 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oak Brook, State of Illinois, on this 9th day of March, 2012.

RETAIL PROPERTIES OF AMERICA, INC.

By: /s/ STEVEN P. GRIMES
Steven P. Grimes

President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 5 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEVEN P. GRIMES Steven P. Grimes	Director, President and Chief Executive Officer	March 9, 2012
/s/ ANGELA M. AMAN Angela M. Aman	Executive Vice President, Chief Financial Officer and Treasurer	March 9, 2012
/s/ JAMES W. KLEIFGES James W. Kleifges	Executive Vice President and Chief Accounting Officer	March 9, 2012
* Gerald M. Gorski	Director and Chairman of the Board	March 9, 2012
* Kenneth H. Beard	Director	March 9, 2012
* Frank A. Catalano, Jr.	Director	March 9, 2012
* Paul R. Gauvreau	Director	March 9, 2012
* Brenda G. Gujral	Director	March 9, 2012

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Richard P. Imperiale

*

Director

March 9, 2012

Kenneth E. Masick

*

Director

March 9, 2012

Barbara A. Murphy

By: /s/ STEVEN P. GRIMES
Steven P. Grimes
Attorney-in-fact

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Table of Contents**EXHIBIT INDEX**

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement
3.1	Fifth Articles of Amendment and Restatement of Registrant (Incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 15, 2010).
3.2	Articles of Amendment of Registrant (Incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on March 9, 2012).
3.3*	Sixth Articles of Amendment and Restatement of the Registrant
3.4*	Amendment to Sixth Articles of Amendment and Restatement of the Registrant
3.5	Fourth Amended and Restated Bylaws of the Registrant (Incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on March 9, 2012).
3.6*	Fifth Amended and Restated Bylaws of the Registrant
4.1*	Specimen Certificate for the Shares
5.1*	Opinion of Goodwin Procter LLP regarding the validity of the securities being registered
8.1*	Opinion of Goodwin Procter LLP regarding certain tax matters
10.1	Second Amended and Restated Independent Director Stock Option Plan of the Registrant (Incorporated herein by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2010).
10.2	2008 Long-Term Equity Compensation Plan Established May 13, 2008 of the Registrant (Incorporated herein by reference to Exhibit 10.575 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed on March 31, 2009).
10.3	Indemnification Agreements by and between the Registrant and its directors and named executive officers (Incorporated herein by reference to Exhibits 10.6 A-F, and H-I to the Registrant's Annual Report / Amended on Form 10-K/A for the year ended December 31, 2006 filed on April 27, 2007, Exhibits 10.561 10.563, 10.567, 10.569 10.571 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed on March 31, 2008 and Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 22, 2012).
10.4**	Second Amended and Restated Credit Agreement dated as of February 24, 2012 among the Registrant as Borrower and KeyBank National Association as Administrative Agent, KeyBanc Capital Markets Inc. as Co-Lead Arranger and Joint Book Manager, and JPMorgan Chase Bank, N.A. as Syndication Agent and JPMorgan Securities LLC as Co-Lead Arranger and Joint Book Manager and Citibank, N.A. as Co-Documentation Agent and Deutsche Bank Securities Inc. as Co-Documentation Agent and Certain Lenders from time to time parties hereto, as Lenders
10.5	Loan Agreement dated as of December 1, 2009 by and among Colesville One, LLC, JPMorgan Chase Bank, N.A. and certain subsidiaries of the Registrant (Incorporated herein by reference to Exhibit 10.587 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2009 filed on March 5, 2010).
10.6	Senior Mezzanine Loan Agreement dated as of December 1, 2009 by and among IW Mezz 2009, LLC and JPMorgan Chase Bank, N.A. (Incorporated herein by reference to Exhibit 10.588 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2009 filed on March 5, 2010).

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Exhibit Number	Exhibit Description
10.7	Junior Mezzanine Loan Agreement dated as of December 1, 2009 by and among IW Mezz 2 2009, LLC and JPMorgan Chase Bank, N.A. (Incorporated herein by reference to Exhibit 10.589 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2009 filed on March 5, 2010).
10.8	Operating Agreement of IW JV 2009, LLC dated as of December 1, 2009 by and between the Registrant and Inland Equity Investors, LLC (Incorporated herein by reference to Exhibit 10.590 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2010).
10.9	First Amendment to the Operating Agreement of IW JV 2009, LLC dated as of December 1, 2009, by and between the Registrant and Inland Equity Investors, LLC (Incorporated herein by reference to Exhibit 99.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed on May 12, 2010).
10.10	Closing Agreement dated as of June 17, 2011 by and between the Registrant, Inland Real Estate Investment Corporation and the Commissioner of the Internal Revenue Service.
21.1	List of Subsidiaries of Registrant (Incorporated by reference to Exhibit 21.1 to the Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 22, 2012).
23.1**	Consent of Deloitte & Touche LLP
23.2*	Consent of Goodwin Procter LLP (included in Exhibit 5.1)
23.3*	Consent of Goodwin Procter LLP (included in Exhibit 8.1)
23.4**	Consent of Rosen Consulting Group
24.1	Power of Attorney (included on the signature page to the Registration Statement filed with the Securities and Exchange Commission on February 14, 2011)
101*	The following materials from this Registration Statement formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Equity, (iv) Condensed Consolidated Statements of Cash Flows, (v) Notes to Condensed Consolidated Financial Statements and (vi) Financial Statement Schedules. As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

* To be filed by amendment.

** Filed herewith.
Previously filed.